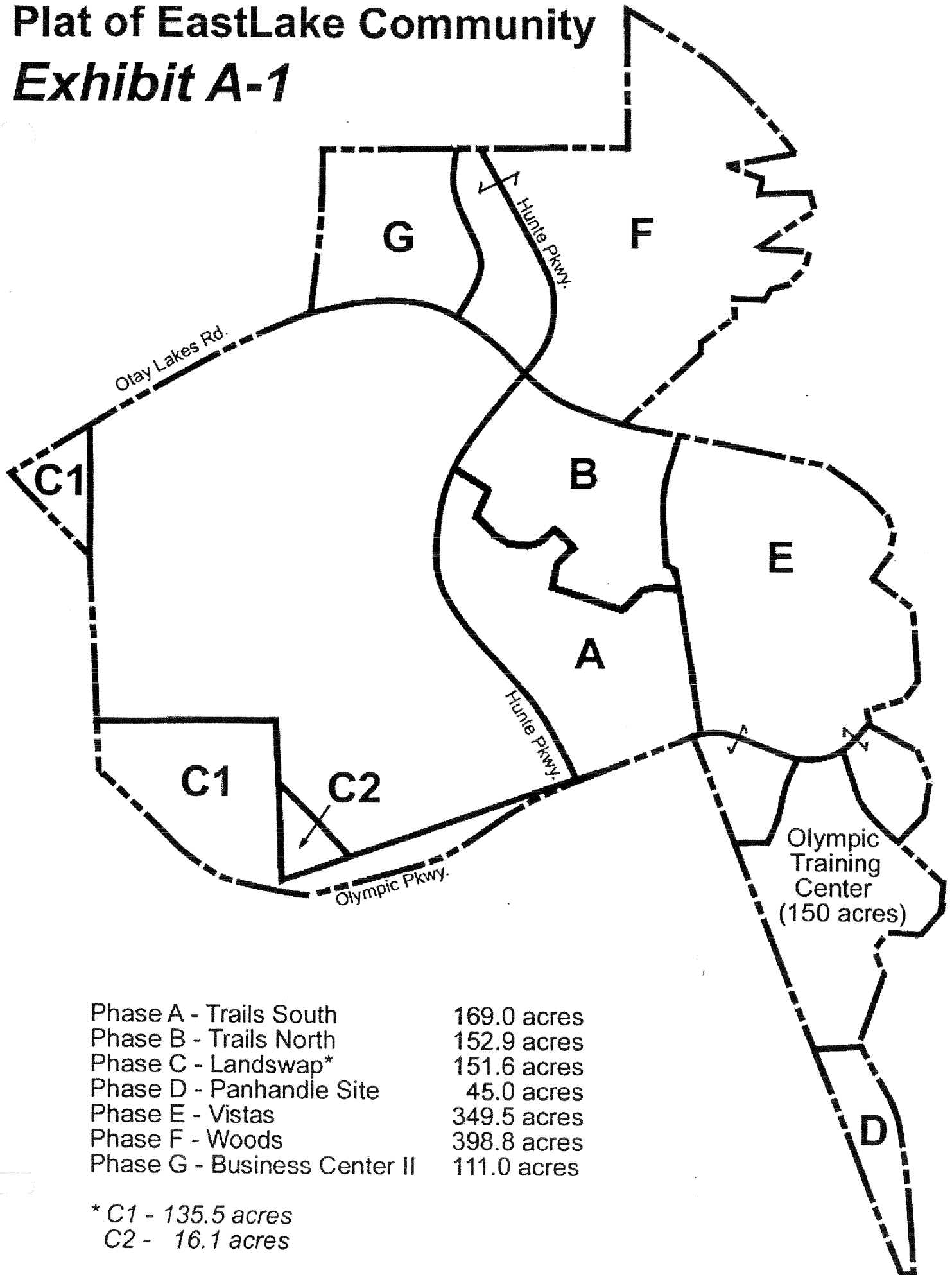


LIST OF EXHIBITS
EASTLAKE III

EXHIBIT	DESCRIPTION	FIRST SECTION REFERENCED
A-1	Map of Property	1.2
A-2	Legal Description	1.2
A-3	Existing Approvals	2.8

Plat of EastLake Community

Exhibit A-1



EASTLAKE III

EXHIBIT A-2

(LEGAL DESCRIPTION)

TRAILS SOUTH

Being a portion of Chula Vista Tract No. 99-03, Eastlake Trails South Map No. 13812 filed in the Office of the County Recorder June 18, 1999.

EASTLAKE III

EXHIBIT A-2

(LEGAL DESCRIPTION)

TRAILS NORTH

Being a sum of Chula Vista, Tract No. 99-03, Eastlake Trails North Phases TN-1 and TN-2, Map No. 14126, Chula Vista Tract No. 00-03 Eastlake Trails North, Neighborhoods TN-5 and TN-6, Map No. 14155, and Chula Vista Tract No. 993 Eastlake Trails North, Neighborhoods TN-3 and TN-7, Map No. 14187

EASTLAKE III

EXHIBIT A-2

(LEGAL DESCRIPTION)

LANDSWAP

Those portions of Lot 11 of Otay Ranch according to Map thereof No. 862 filed in the Office of the Recorder of San Diego County, the Northwest Quarter and the Southeast Quarter and the Northeast Quarter of Section 3, Township 18 South, Range 1 West, San Bernardino Meridian, and the Southwest Quarter of Section 34, Township 17 South, Range 1 West, San Bernardino Meridian, all in the City of Chula Vista, County of San Diego, State of California, said portions being more particularly described as follows:

Beginning at the Northwest corner of said Northeast Quarter of Section 3; thence along the North line of said Northeast Quarter of Section 3 South $88^{\circ}46'06''$ East 10.00 feet; thence leaving said Northerly line along a line 10.00 feet Easterly of and parallel with the West line of said Northeast Quarter of Section 3, South $00^{\circ}35'48''$ West 470.44 feet to the beginning of a non-tangent 1970.00 foot radius curve concave Southwesterly, to which a radial line bears North $49^{\circ}31'33''$ East said point being on the Southwesterly line of Final Order of Condemnation No. 494337 (Parcel 200-A) recorded October 3, 1983, File/Page No. 83-353519, Official Records; thence leaving said parallel line, along a line along said Southwesterly line, Northwesterly along the arc of said curve through a central angle of $01^{\circ}24'34''$ a distance of 48.46 feet; thence continuing along said Southwesterly line North $41^{\circ}53'01''$ West 1659.39 feet to the Southeasterly Right-of-way of Otay Lakes Road as described in Final Order of Condemnation No. 602528 recorded February 5, 1990, as File/Page 90-064524, Official Records, said point being the beginning of a non-tangent 4933.00 foot radius curve concave Southeasterly, to which a radial line bears North $31^{\circ}19'49''$ West; thence along said Southeasterly line Northeasterly along the arc of said curve through a central angle of $02^{\circ}07'12''$ a distance of 182.53 feet; thence continuing along said Southeasterly line North $60^{\circ}47'23''$ East 597.45 feet; thence South $31^{\circ}25'49''$ East 10.99 feet; thence North $58^{\circ}34'11''$ East 187.80 feet to the beginning of a tangent 4933.00 foot radius curve concave Southeasterly; thence Northeasterly along the arc of said curve through a central angle of $04^{\circ}07'30''$ a distance of 355.15 feet to a point on the East line of said Southwest Quarter of Section 34; thence along said East line South $00^{\circ}16'14''$ West 1447.66 feet to the Point of Beginning.

Also:

Beginning at the Northwest corner of said Southeast Quarter of Section 3; thence along the West line of said Southeast Quarter South $00^{\circ}35'48''$ West 10.00 feet to the TRUE POINT OF BEGINNING; thence leaving said Westerly line, parallel with the North line of said Southeast Quarter South $88^{\circ}19'01''$ East 1826.96 feet to the Southwesterly line of that 120.00 foot easement granted to SDG&E per document recorded April 5, 1983, File/Page 83-107938, Official Records; thence along said Southwesterly line South $39^{\circ}41'27''$ East 256.30 feet; thence continuing along said Southwesterly line South $41^{\circ}24'13''$ East 966.18 feet to the Westerly line of Rancho Janal according to Map thereof No. 989 filed in the Office of the Recorder of San Diego County; thence along said Westerly line South $00^{\circ}41'24''$ West 1423.95 feet to the Southerly line of said Rancho Janal; thence along said Southerly line North $71^{\circ}56'55''$ East 1039.70 feet to the Southwesterly line of said SDG&E easement; thence along said Southwesterly line South $41^{\circ}24'13''$ East 354.55 feet to the beginning of a non-tangent 5000.00 foot radius curve concave Southerly, to which a radial line bears North $17^{\circ}55'29''$ West; thence leaving said Southwesterly line Westerly along the arc of said curve through a central angle of $00^{\circ}58'32''$ a distance of 85.13 feet; thence South $71^{\circ}05'59''$ West 227.19 feet to the beginning of a tangent 2000.00 foot radius curve concave Northerly; thence Westerly along the arc of said curve through a central angle of $35^{\circ}18'32''$ a distance of 1232.51 feet; thence North $73^{\circ}35'29''$ West 618.51 feet to the beginning of a tangent 1600.00 foot radius curve concave Northeasterly; thence Northwesterly along the arc of said curve through a central angle of $38^{\circ}34'39''$ a distance of 1077.29 feet; thence North $35^{\circ}00'50''$ West 370.00 feet to the beginning of a tangent 1600.00 foot radius curve concave Southwesterly; thence Northwesterly along the arc of said curve through a central angle of $31^{\circ}25'13''$ a distance of 877.42 feet to the West line of said Southeast Quarter of Section 3; thence along said West line North $00^{\circ}35'48''$ East 827.02 feet to the TRUE POINT OF BEGINNING excepting therefrom that portion conveyed to the Otay Water District by Grand Deed recorded March 19, 1993 as File No. 1993-0172610, Official Records.

EASTLAKE III

EXHIBIT A-2

(LEGAL DESCRIPTION)

PAN HANDLE

Those portions of that portion of Rancho Janal in the City of Chula Vista, County of San Diego, State of California deeded to Western Salt Company per deed recorded December 18, 1950 as Document No. 147375 in Book 3902, Page 47 Official Records filed in the Office of the Recorder of said County, said portions being more particularly described as follows:

Beginning at the Southwesterly corner of Parcel 1 of Parcel Map No. 16318 filed in the Office of the Recorder of said County; thence along the Southerly line of said Parcel 1 North $89^{\circ}27'37''$ East 660.34 feet to the Southeasterly corner of said Parcel 1, said point being the beginning of a non-tangent 550.00 foot radius curve concave Northeasterly, to which a radial line bears South $89^{\circ}27'37''$ West; thence along the Easterly line of Parcel 1 of said deed to Western Salt Company, Southeasterly along the arc of said curve through a central angle of $32^{\circ}58'53''$ a distance of 316.60 feet; thence continuing along said Easterly line South $33^{\circ}31'16''$ East 487.69 feet to the beginning of a tangent 950.00 foot radius curve concave Southwesterly; thence continuing along said Easterly line Southeasterly along the arc of said curve through a central angle of $28^{\circ}40'26''$ a distance of 475.43 feet; thence continuing along said Easterly line South $04^{\circ}50'50''$ East 2174.97 feet to the Southeasterly corner of said deed; thence along the Southerly line of said deed North $89^{\circ}03'01''$ West 231.01 feet to the Southwesterly line of said deed, said point also being Corner No. 2 of Rancho Janal; thence along the Westerly line of said deed North $18^{\circ}50'38''$ West 3493.90 feet to the Point of Beginning.

EASTLAKE III

EXHIBIT A-2

(LEGAL DESCRIPTION)

VISTAS (Portion Northerly of Olympic Parkway)

Being a portion of Rancho Janal in the City of Chula Vista, County of San Diego, State of California as shown on Parcel Map 18211 as a unsurveyed remainder parcel, said parcel more particularly described as follows:

Beginning at the Northeast corner of Parcel 3 of said Parcel Map 18211; thence along the boundary of said remainder parcel South $76^{\circ}49'57''$ East 928.06 feet to the beginning of a tangent 5000.00 foot radius curve concave Northeasterly; thence Southeasterly along the arc of said curve through a central angle of $01^{\circ}50'00''$ a distance of 159.99 feet; thence South $78^{\circ}39'57''$ East 944.31 feet; thence South $11^{\circ}20'03''$ West 64.46 feet to the beginning of a non-tangent 950.00 foot radius curve concave Southwesterly, to which a radial line bears North $12^{\circ}12'29''$ East; thence Southeasterly along the arc of said curve through a central angle of $31^{\circ}34'00''$ a distance of 523.40 feet; thence South $46^{\circ}13'31''$ East 686.02 feet to the beginning of a tangent 350.00 foot radius curve concave Westerly; thence Southerly along the arc of said curve through a central angle of $74^{\circ}52'37''$ a distance of 457.40 feet; thence South $28^{\circ}39'06''$ West 344.60 feet to the beginning of a tangent 300.00 foot radius curve concave Southeasterly; thence Southwesterly along the arc of said curve through a central angle of $04^{\circ}43'14''$ a distance of 24.72 feet; thence South $63^{\circ}57'59''$ West 121.43 feet; thence South $13^{\circ}27'59''$ West 90.00 feet; thence South $26^{\circ}14'39''$ East 116.13 feet; thence South $59^{\circ}37'01''$ East 148.00 feet to the beginning of a non-tangent 300.00 foot radius curve concave Northeasterly, to which a radial line bears South $48^{\circ}39'48''$ West; thence Southeasterly along the arc of said curve through a central angle of $30^{\circ}37'49''$ a distance of 160.38 feet; thence South $71^{\circ}58'01''$ East 107.43 feet to the beginning of a tangent 250.00 foot radius curve concave Southwesterly; thence Southeasterly along the arc of said curve through a central angle of $68^{\circ}54'59''$ a distance of 300.70 feet; thence South $03^{\circ}03'02''$ East 822.26 feet to the beginning of a tangent 250.00 foot radius curve concave Northwesterly; thence Southwesterly along the arc of said curve through a central angle of $76^{\circ}02'42''$ a distance of 331.81 feet; thence South $72^{\circ}59'40''$ West 391.61 feet to the beginning of a tangent 260.00 foot radius curve concave Southeasterly; thence Southwesterly along the arc of said curve through a central angle of $26^{\circ}43'25''$ a distance of 121.27 feet; thence North $43^{\circ}39'50''$ West

102.00 feet; thence South $65^{\circ}55'31''$ West 85.00 feet; thence South $44^{\circ}04'52''$ West 82.00 feet; thence South $01^{\circ}29'48''$ East 174.52 feet; thence South $59^{\circ}36'10''$ East 61.50 feet; thence South $30^{\circ}24'20''$ West 72.59 feet; thence South $28^{\circ}07'43''$ West 30.32 feet to the beginning of a tangent 765.00 foot radius curve concave Northwesterly; thence Southwesterly along the arc of said curve through a central angle of $25^{\circ}22'06''$ a distance of 338.71 feet; thence South $53^{\circ}29'48''$ West 31.63 feet to the beginning of a tangent 750.00 foot radius curve concave Northwesterly; thence Southwesterly along the arc of said curve through a central angle of $43^{\circ}04'20''$ a distance of 563.81 feet to the beginning of a non-tangent 944.00 foot radius curve concave Northeasterly to which a radial line bears South $09^{\circ}15'57''$ West; thence Northwesterly along the arc of said curve through a central angle of $10^{\circ}15'56''$ a distance of 169.13 feet to the beginning of a compound 746.00 foot radius curve concave Northeasterly; thence Northwesterly along the arc of said curve through a central angle of $08^{\circ}28'47''$ a distance of 110.41 feet; thence North $61^{\circ}59'20''$ West 669.49 feet to the beginning of a tangent 1654.00 foot radius curve concave Southwesterly; thence Northwesterly along the arc of said curve through a central angle of $28^{\circ}45'31''$ a distance of 830.20 feet; thence North $01^{\circ}48'08''$ West 336.33 feet to the beginning of a tangent 210.00 foot radius curve concave Southeasterly; thence Northeasterly along the arc of said curve through a central angle of $45^{\circ}43'43''$ a distance of 167.60 feet; thence North $43^{\circ}55'35''$ East 57.30 feet to the beginning of a tangent 20.00 foot radius curve concave Westerly; thence Northerly along the arc of said curve through a central angle of $90^{\circ}00'00''$ a distance of 31.42 feet; thence North $46^{\circ}04'25''$ West 104.77 feet to the beginning of a tangent 780.00 foot radius curve concave Northeasterly; thence Northwesterly along the arc of said curve through a central angle of $51^{\circ}41'20''$ a distance of 703.67 feet; thence North $05^{\circ}36'55''$ East 627.95 feet to the beginning of a tangent 1000.00 foot radius curve concave Westerly; thence Northerly along the arc of said curve through a central angle of $25^{\circ}33'19''$ a distance of 446.02 feet; thence North $19^{\circ}56'24''$ West 224.98 feet to the beginning of a tangent 780.00 foot radius curve concave Easterly; thence Northerly along the arc of said curve through a central angle of $45^{\circ}14'52''$ a distance of 615.98 feet to the beginning of a reverse 250.00 foot radius curve concave Westerly; thence Northerly along the arc of said curve through a central angle of $32^{\circ}56'07''$ a distance of 143.71 feet; thence North $07^{\circ}37'39''$ West 163.78 feet to the beginning of a tangent 250.00 foot radius curve concave Southwesterly; thence Northwesterly along the arc of said curve through a central angle of $34^{\circ}29'26''$ a distance of 150.49 feet; thence North $39^{\circ}39'01''$ East 398.89 feet; thence North $20^{\circ}36'57''$ East 125.83 feet to the Point of Beginning.

VISTAS (Portion Southwesterly of Olympic Parkway)

Beginning at the Southeast corner of Parcel 1 of said Parcel Map 18211; thence along the boundary of the unsurveyed remainder parcel North $01^{\circ}48'07''$ West 65.62 feet to the beginning of a non-tangent 1546.00 foot radius curve concave Southwesterly, to which a radial line bears North $00^{\circ}40'26''$ West; thence Southeasterly along the arc of said curve through a central angle of $28^{\circ}41'06''$ a distance of 774.00 feet; thence South $61^{\circ}59'20''$ East 669.49 feet to the beginning of a tangent 854.00 foot radius curve concave Northeasterly; thence Southeasterly along the arc of said curve through a central angle of $10^{\circ}26'41''$ a distance of 155.68 feet; thence South $30^{\circ}14'34''$ West 450.11 feet; thence South $00^{\circ}01'12''$ West 289.06 feet; thence South $25^{\circ}34'27''$ West 465.57 feet; thence North $85^{\circ}47'44''$ West 478.22 feet; thence North $18^{\circ}53'21''$ West 1653.80 feet; thence South $71^{\circ}57'18''$ West 38.35 feet to the Point of Beginning.

VISTAS (Portion Southeasterly of Olympic Parkway)

Beginning at the most Southerly corner of the unsurveyed remainder parcel shown on Parcel Map 18211 lying immediately Easterly of the Olympic Training Center being Parcel 1 of Parcel Map 16318; thence along the boundary of said unsurveyed remainder parcel North $49^{\circ}46'27''$ West 688.77 feet to the beginning of a tangent 900.00 foot radius curve concave Northeasterly; thence Northwesterly along the arc of said curve through a central angle of $21^{\circ}27'07''$ a distance of 336.97 feet; thence North $00^{\circ}43'25''$ East 450.00 feet; thence North $64^{\circ}30'34''$ West 124.83 feet; thence North $00^{\circ}43'25''$ East 111.76 feet to the beginning of a non-tangent 850.00 foot radius curve concave Northwesterly, to which a radial line bears South $29^{\circ}05'47''$ East; thence Northeasterly along the arc of said curve through a central angle of $32^{\circ}46'30''$ a distance of 486.23 feet; thence North $28^{\circ}07'43''$ East 59.07 feet to the beginning of a tangent 20.00 foot radius curve concave Southeasterly; thence Northeasterly along the arc of said curve through a central angle of $90^{\circ}00'00''$ a distance of 31.42 feet; thence South $61^{\circ}52'18''$ East 84.92 feet to the beginning of a non-tangent 260.00 foot radius curve concave Northeasterly, to which a radial line bears South $46^{\circ}56'17''$ West; thence Southeasterly along the arc of said curve through a central angle of $26^{\circ}58'36''$ a distance of 122.42 feet; thence South $70^{\circ}02'19''$ East 422.37 feet to the beginning of a tangent 350.00 foot radius curve concave Southwesterly; thence Southeasterly along the arc of said curve through a central angle of $60^{\circ}14'00''$ a distance of 367.94 feet; thence South $09^{\circ}48'19''$ East 370.73 feet to the beginning of a tangent 400.00 foot radius curve concave Northwesterly; thence Southwesterly along the arc of said curve through a central angle of $68^{\circ}28'10''$ a distance of 478.01 feet; thence South $58^{\circ}39'52''$ West 118.11 feet to the beginning of a tangent 300.00 foot radius curve concave Southeasterly; thence Southwesterly along the arc of said curve through a central angle of $80^{\circ}04'27''$ a distance of 419.27 feet to the Point of Beginning.

EASTLAKE III

EXHIBIT A-2

(LEGAL DESCRIPTION)

WOODS

Those portions of the Southwest Quarter of Section 25, Township 17 South, Range 1 West, San Bernardino Meridian, and that portion of Rancho Janal in the City of Chula Vista, County of San Diego, State of California deeded to Western Salt Company per deed recorded December 18, 1950 as Document No. 147375 in Book 3902, Page 47 Official Records filed in the Office of the Recorder of said County, said portions being more particularly described as follows:

Beginning at the Northeasterly corner of Chula Vista Tract No. 88-3 Eastlake Greens Phase 1 B/C according to Map thereof No. 12545 filed in the Office of the Recorder of said County; thence along the Northerly Right-of-way of Otay Lakes Road as shown on said map North $45^{\circ}19'44''$ West 790.83 feet to the beginning of a tangent 2067.00 foot radius curve concave Southwesterly; thence continuing along said Northerly Right-of-way line Northwesterly along the arc of said curve through a central angle of $15^{\circ}11'28''$ a distance of 548.03 feet; thence leaving said Northerly Right-of-way line North $30^{\circ}18'41''$ East 625.04 feet to the beginning of a tangent 370.00 foot radius curve concave Westerly; thence Northerly along the arc of said curve through a central angle of $54^{\circ}36'52''$ a distance of 352.68 feet; thence North $24^{\circ}18'11''$ West 731.70 feet to the beginning of a tangent 830.00 foot radius curve concave Easterly; thence Northerly along the arc of said curve through a central angle of $29^{\circ}28'45''$ a distance of 427.04 feet; thence North $05^{\circ}10'34''$ East 332.75 feet; thence North $65^{\circ}28'45''$ a distance of 427.04 feet; thence North $05^{\circ}10'34''$ East 332.75 feet; thence North $65^{\circ}53'38''$ East 277.31 feet to the North line of said portion of Rancho Janal deeded to Western Salt Company; thence along said North line South $88^{\circ}27'55''$ East 2303.05 feet to the Southwest corner of Parcel 2 of said deed to Western Salt Company; thence along the West line of said Parcel 2, North $01^{\circ}01'59''$ East 1947.28 feet; thence along the Northeasterly line of said Parcel 2 South $59^{\circ}42'31''$ East 868.00 feet; thence continuing along said Northeasterly line of said Parcel 2 South $55^{\circ}54'31''$ East 198.00 feet; thence continuing along said Northeasterly line of said Parcel 2 South $64^{\circ}49'44''$ East 233.91 feet; thence continuing along said Northeasterly line of said Parcel 2 South $41^{\circ}28'05''$ East 1817.65 feet; thence along the South line of said Parcel 2 North $88^{\circ}27'55''$ West 6.28 feet to the Northeast corner of Parcel 1 of said deed to Western Salt Company; thence along the Easterly line of said Parcel 1 South $05^{\circ}34'30''$ West

167.82 feet; thence continuing along said Easterly line South 87°45'13" West 604.60 feet; thence continuing along said Easterly line South 84°15'13" West 311.00 feet; thence continuing along said Easterly line South 74°44'47" East 394.40 feet; thence continuing along said Easterly line South 51°14'47" East 174.11 feet; thence continuing along said Easterly line South 17°45'13" West 240.60 feet; thence continuing along said Easterly line North 72°15'13" East 239.70 feet; thence continuing along said Easterly line South 81°44'47" East 457.00 feet; thence continuing along said Easterly line South 50°44'47" East 98.30 feet; thence continuing along said Easterly line South 04°44'47" East 98.70 feet; thence continuing along said Easterly line South 43°15'13" West 197.00 feet; thence continuing along said Easterly line South 54°15'13" West 306.00 feet; thence continuing along said Easterly line South 59°15'13" West 308.40 feet; thence continuing along said Easterly line South 44°15'13" West 235.70 feet; thence continuing along said Easterly line South 87°14'47" East 631.80 feet; thence continuing along said Easterly line South 26°44'47" East 108.50 feet; thence continuing along said Easterly line South 20°15'13" West 101.20 feet; thence continuing along said Easterly line South 33°45'13" West 203.10 feet; thence continuing along said Easterly line South 49°15'13" West 179.50 feet; thence continuing along said Easterly line South 60°45'13" West 119.80 feet; thence continuing along said Easterly line North 72°14'47" West 122.00 feet; thence continuing along said Easterly line South 33°15'13" West 228.50 feet; thence continuing along said Easterly line South 82°45'13" West 107.50 feet; thence continuing along said Easterly line North 69°14'47" West 285.00 feet; thence continuing along said Easterly line South 02°15'13" West 314.00 feet; thence continuing along said Easterly line South 53°15'13" West 653.80 feet; thence continuing along said Easterly line South 03°44'47" East 143.93 feet; thence continuing along said Easterly line North 75°13'38" West 48.78 feet; thence continuing along said Easterly line South 64°30'22" West 111.23 feet; thence continuing along said Easterly line South 41°57'22" West 350.62 feet; thence continuing along said Easterly line South 57°42'22" West 200.50 feet; thence continuing along said Easterly line South 55°18'22" West 209.80 feet; thence continuing along said Easterly line South 48°16'22" West 42.88 feet; thence continuing along said Easterly line South 43°28'22" West 356.97 feet; thence continuing along said Easterly line South 53°45'22" West 266.70 feet; thence continuing along said Easterly line South 32°20'38" East 51.54 feet to the centerline of Otay Lakes Road as dedicated to the City of Chula Vista per deed recorded November 28, 1990, File/Page 90-634654 and shown on City of Chula Vista Drawing No. 90-607; thence along said centerline North 77°38'00" West 245.61 feet to the beginning of a tangent 2000.00 foot radius curve concave Northeasterly; thence continuing along said centerline Northwesterly along the arc of said curve through a central angle of 32°18'16" a distance of 1127.64 feet; thence continuing along said centerline North 45°19'44" West 227.81 feet to a point on the Easterly line of the boundary of said Map No. 12545; thence along said Easterly line North 44°40'16" East 67.00 feet to the Point of Beginning.

EASTLAKE III

EXHIBIT A-2

(LEGAL DESCRIPTION)

BUSINESS CENTER II

That portion of Rancho Janal in the City of Chula Vista, County of San Diego, State of California deeded to Western Salt Company per deed recorded December 18, 1950 as Document No. 147375 in Book 3902, Page 47, Official Records, filed in the Office of the Recorder of said County, said portions being more particularly described as follows:

Beginning at the Northeast corner of Lot 7 of Chula Vista Tract No. 84-7 Unit No. 1 according to Map thereof No. 11509 filed in the Office of the Recorder of said County; thence along the Northerly line of Parcel 1 of said deed to Western Salt Company South 88°27'55" East 2165.38 feet; thence leaving said Northerly line South 65°53'38" West 277.31 feet; thence South 05°10'34" West 332.75 feet to the beginning of a tangent 830.00 foot radius curve concave Easterly; thence Southerly along the arc of said curve through a central angle of 29°28'45" a distance of 427.04 feet; thence South 24°18'11" East 731.70 feet to the beginning of a tangent 370.00 foot radius curve concave Westerly; thence Southerly along the arc of said curve through a central angle of 54°36'52" a distance of 352.68 feet; thence South 30°18'41" West 625.04 feet to the beginning of a non-tangent 2067.00 foot radius curve concave Southerly, to which a radial line bears North 29°28'48" East, said point being on the Northerly Right-of-way of Otay Lakes Road as shown on Map No. 12545 filed in the Office of the Recorder of said County; thence along said Northerly Right-of-way, Westerly along the arc of said curve through a central angle of 40°55'32" a distance of 1476.43 feet; thence continuing along said Northerly Right-of-way South 78°33'16" West 757.09 feet to the beginning of a tangent 5067.00 foot radius curve concave Southeasterly; thence continuing along said Northerly Right-of-way Southwesterly along the arc of said curve through a central angle of 00°22'58" a distance of 33.85 feet to a point on the Easterly boundary of said Map No. 11509; thence along said Easterly boundary North 11°28'15" East 1125.63 feet to the Point of Beginning.

EXHIBIT A-3

	<u>Business Center II</u>	<u>Trails</u>	<u>Woods/Vistas</u>	<u>Land Swap Parcels</u>	<u>Panhandle</u>	<u>Olympic Training Center</u>
GDP	Amended EL II	EL II	EL III	EL II	EL III (GDP Only)	EL III
SPA	Amended EL I	Trails SPA	EL III	Greens SPA	N/A	OTC SPA
Development Agreement	EL III	EL III	EL III	EL III	EL III	EL III

Affordable Housing Plan

COMPREHENSIVE AFFORDABLE HOUSING PROGRAM

SECTION II.6

A COMPREHENSIVE PLAN FOR THE PROVISION OF AFFORDABLE HOUSING

EASTLAKE III

EASTLAKE TRAILS, WOODS, VISTAS
AND
"LAND SWAP" PARCELS

Adopted July 17, 2001
by Resolution No. 2001-220

Amended June 20, 2006
by Resolution No. 2006-190

Amended April 8, 2008
by Resolution No. 2008-095

Amended January 11, 2011
by Resolution No. 2011-002

Amended September 27, 2011
by Resolution No. 2011-190

Prepared by:
Bud Gray & Associates
2452 Arrowhead Court
Chula Vista, CA 91915
Contact: Bud Gray
(619) 656-801

Edited by:
KTGY Group, Inc.
17992 Mitchell South
Irvine, CA 92614
Contact: Damian Taitano
(949) 851-2133

Edited by:
Fusco Engineering, Inc.
6390 Greenwich Drive
San Diego, CA 92122
Contact: Robert A. Chase, P.E.
(858) 554-1500

SECTION II.6
COMPREHENSIVE AFFORDABLE HOUSING PROGRAM

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II.6.1 INTRODUCTION

The City of Chula Vista (“City”), along with all other cities in California, is required by state law to have a Housing Element as a component of its General Plan. The Housing Element describes the housing needs of the community and the responses necessary to fulfill them.

The City of Chula Vista Housing Element of 1991 contains numerous objectives, policies and related action programs to accomplish these objectives. Key among these policies is the affordable housing policy which requires that residential development with fifty (50) or more dwelling units provide a minimum of 10% of the total dwelling units for low and moderate income households, one-half of these units (5% of the total project) being designated to low income and the remaining five percent (5%) to moderate income households.

In order to guarantee the provision of Affordable Housing opportunities, the City requires that a specific Affordable Housing Program (“AHP”) and agreement be consistent with the Housing Element of the Chula Vista General Plan and be prepared and signed by the Developer. This Affordable Housing Program is intended to delineate how, when and where the units would be provided, intended subsidies, income rent restrictions and methods to verify compliance. The program may be implemented through various mechanisms including development agreements, tentative map conditions, and specific housing project agreements which may impose additional terms and conditions consistent herewith.

The EastLake Comprehensive Affordable Housing Program, as used herein, applies to the following future neighborhoods identified in the EastLake II & EastLake III General Development Plans.

- EastLake Trails (EastLake II GDP)
- EastLake Vistas (EastLake III GDP)
- EastLake Woods (EastLake III GDP)
- EastLake Land Swap Parcels (EastLake II GDP)

The EastLake Comprehensive Affordable Housing Program is consistent with the City’s affordable housing policies and is expected to be completed in four phases. Construction of 30 low income and 30 moderate income housing units in the Initial Phase is scheduled to begin before the issuance of the 1,001st building permit. The second phase is scheduled to start before the issuance of the 2,401st building permit. The third phase is scheduled to start before the issuance of the 3,201st building permit, while the fourth phase will start before the issuance of the 3,954st building permit (see the section entitled “Implementation Schedule” in this program). EastLake II & III are planned to include a total of 4,448 housing units.

The low income housing units (223) shall be located at five sites in the different neighborhoods as shown on Exhibit 1, Low Income Housing Sites. The moderate income housing units (223) are expected to be distributed throughout the project in Residential - Medium Density, Residential - Medium-High Density, and Residential - High Density.

II.6.2 DEFINITIONS

Affirmative Marketing Plan:

An outline that details actions the developer will take to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, sex, sexual orientation, marital status, familial status, color, religion, national origin, ancestry, handicap, age, or any other category which may be defined by law now or in the future.

Low Income Household:

A household of persons who claim primary residency at the same unit with combined incomes that do not exceed 80% of the Area Median Income for the San Diego area (adjusted annually) based on household size, as established by and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 and as also published in the California Administrative Code. See Exhibit "2" for the annual income limits as published by the United States Department of Housing and Urban Development (HUD). Household size is calculated by the number of persons residing at the same unit as their primary residency.

Moderate Income Household:

A household of persons who claim primary residency at the same unit with combined incomes between 80% to 120% of the Area Median Income for the San Diego area (adjusted annually) based on household size, as established by and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 and as also published in the California Administrative Code. See Exhibit "2" for the annual income limits as published by the United States Department of Housing and Urban Development (HUD). Household size is calculated by the number of persons residing at the same unit as their primary residency.

San Diego Area Median Income:

The San Diego County area median income level as determined from time to time by the Department of Housing and Urban Development, United States Government, based on household size.

Subsidized Financing:

Any financing provided by any public agency specifically for the development and construction of low or moderate income housing units, including but not limited to the following:

- Low Income Housing Tax Credits (LIHTC) – statewide competition;
- Housing Bonds – State;
- Housing Bonds – City;
- Redevelopment Low and Moderate-income Housing fund – Redevelopment agency;
- HOME – City and County;
- CDBG – City; and,
- Other Public Financing – State and Federal

II.6.3 NEEDS ASSESSMENT

According to SANDAG's Preliminary 2020 Cities/County Forecast, Chula Vista is expected to gain 46,000 new residents and 13,801 new households. The characteristics of the City's population, housing, and employment that affect its housing goals, policies, and programs include:

- Chula Vista residents have household income and age characteristics that nearly match the regional median.
- The population has more diversity in race/ethnicity than the region, in that 44 percent of the population is white (non-Hispanic) and 42 percent is Hispanic (all races), this compares to 61 percent and 23 percent respectively.
- Household size is slightly larger than the region, at 3.0 persons per household for Chula Vista, compared to 2.83 persons per household for the region.
- A large supply of vacant developable land is planned for communities with a wide variety of densities and land use types.
- The well established neighborhoods and master planned neighborhoods create different opportunities and require a different set of policies and programs to address housing needs.
- The City's diverse employment base will grow by more than 47 percent between 1995 and 2005, with the majority of growth in the retail, service, and government sectors.
- A high rate of new home construction is anticipated due to the many approved master planned communities in the City.
- Reinvestment in the well-established neighborhoods of Western Chula Vista continues to be needed.
- Approximately 13,000 units will be 50 years or older by 2004.
- A home ownership rate of 53 percent is nearly the same as the region's rate of 54 percent.
- The very low rental vacancy rate of 1.1 percent indicates likely increased housing costs and greater likelihood of over-crowding.
- The median housing cost (resale) of \$177,000 is \$18,500 less than the region's median cost of \$195,500.

- Average rents are 10 percent to 30 percent lower than the region wide average rents.

The City has two sets of numerical housing goals established by SANDAG, which are also addressed in the Housing Element; the City's share of the region's future housing needs (regional share goals) and the affordable housing goal for self-certification. The total regional share goal is 10,401 new housing units of which 1,889 are very low-income units and 1,535 are low-income units. The estimated affordable housing goal for self-certification in 2004 is 1,029 housing opportunities for low-income households.

II.6.4 EASTLAKE II & III AFFORDABLE HOUSING PROGRAM

II.6.4.1 LOW INCOME HOUSING

- Requirements

The EastLake Trails, "Land Swap" parcels, and EastLake III Developments are required to provide a minimum of 10% of the number of permitted dwelling units as affordable housing, of which one-half shall be provided as low income housing and one-half will be provided as moderate income housing

Based on the total number of permitted dwelling units, a total of 446 low and moderate-income housing units are required to be provided within the project, of which 223 will be provided for low-income households, and 223 will be provided for moderate-income households.

- Types of Affordable Housing

The housing policies and programs established in the City of Chula Vista General Plan Housing Element advocate a broad variety and diversity of housing types. The affordable housing obligations of Eastlake Trails, "Land Swap" parcels, and Eastlake III developments will be met through a combination of housing types that may include rental housing, "for-sale" housing, second dwelling units or other forms of housing. In general, low income housing needs will be satisfied through the provision of rental units and "for-sale" housing. Housing opportunities to meet the needs of moderate-income households will be primarily provided by "for-sale" housing.

- Site Selection Criteria

The location of affordable housing developments shall take into consideration proximity and availability of the following:

- a. Existing or proposed public transit facilities, including bus routes along arterial highways, or transportation routes;
- b. Existing or proposed community facilities and services, such as retail, commercial and support services, public facilities and schools; and,
- c. Existing or future employment opportunities.

Every effort will be made to ensure compatibility with adjacent residential units (i.e., densities, design, etc.).

- Design

Affordable housing shall be compatible with the design and use of the market rate units, in terms of appearance, materials, and finish quality. The developer shall have the option of reducing the interior amenities, levels, and square footage of the affordable units.

- Unit Mix By Bedroom Count

The affordable units shall have an overall unit mix by bedroom count which reflects the appropriate community need. Given that 14 percent of the households in Chula Vista (according to the 1990 Census) are large families of five persons or more and a desire on the part of the City to have housing opportunities for these families throughout the City, proposed affordable housing developments shall provide a minimum number of three or more bedrooms. The minimum number of three or more bedroom units shall be based upon the number of large households of five or more persons in Chula Vista using such sources as Census information or other reliable data sources as agreed to by the City. Affordable housing to be sold and occupied by income eligible households (for sale units) shall also provide a minimum of two bedrooms.

Should the developer satisfy the affordable housing obligation through the provision of housing for senior citizens as defined by Section 51.3 of the California Civil Code, the developer does not need to provide three bedroom units. However, the developer may only satisfy such obligation through the provision of housing for senior citizens if the City considers such housing to be a high priority need and it provides advantages as to location, diversity of housing types, and/or affordability levels.

- Affordable Housing Credits For Large Units

Given that 14 percent of the households in Chula Vista, according to the 1990 Census, are large families of five persons or more and a lack of large units to accommodate these households, the city desires to encourage the development of large family units of three or more bedrooms. The City will provide an additional 0.5 unit credit for those three bedroom units created and a 1 unit credit for those four bedroom units.

- Low Income Housing Sites

Five sites have been selected for low income housing units within EastLake II & III, with one potential off-site location (See Exhibit 1).

Site 1. This site is located within the Vistas neighborhood, south of Olympic Parkway in close proximity to the Olympic Training Center. The site is designated High (18-27 du/ac). The low income units at this site will supplement the on site dorms at the Olympic Training Center.

Site 2. This site is located within the Trails North neighborhood on the south side of Otay Lakes Road in proximity to the future Salt Creek Community Park. The site is designated Medium Residential (6-11 du/ac).

Site 3. This site is located in the "Land Swap" Parcel (R-9) which is designated Medium High (11-18 du/ac) with a density range of 15-25 du/ac and a target of 750 dwelling units. The low income housing units will be integrated into the development of Parcel R-9, which is located on EastLake Parkway, adjacent to the EastLake Activity Corridor.

Site 4. This site is located in the western portion of the EastLake Greens neighborhood (Parcel GR-26) which is designated Medium High (11-18 du/ac) with a target of 260 dwelling units. The low income housing units will be integrated into the development of Parcel GR-26, which is also located on EastLake Parkway, adjacent to the EastLake Activity Corridor.

Site 5 (5a). Site 5 is located in the Olympic Training Center (OTC) parcel which is designated Public/Quasi-public. Resident housing for athletes is permitted within the mix of uses allowed by the OTC SPA Plan. The low income housing units will be integrated into the overall development of the training facility. The specifics of this affordable housing project have not yet been finalized. If the athletic housing project does not come to fruition, an alternative off-site location (Site 5a) will be selected based on the site selection criteria above and the number of units remaining in the affordable housing requirement. Should no site be available, the developer and the City may, as an alternative, negotiate an "in-lieu" fee that would be used for other affordable housing programs in the City.

- Phasing

The low income housing units would be completed in four phases. The Initial Phase consists of 30 units and the Remaining Phases consist of 82, 86 and 25 units respectively, for a total of 223 units. Every effort will be made by the Developer to produce additional low income units at the first and second phases if the opportunity to produce such units becomes feasible.

- Implementation Schedule

Low Income Housing EastLake Comprehensive Affordable Housing Program PHASE I	
Timing	Items to be Completed
Prior to approval of the 401st building permit	Submit a SPA application for EastLake III identifying specific low income housing sites consistent with the Affordable Housing Program and provide proof of control of sites for all phases in the form of a trust deed or an option agreement.
Prior to issuance of the 501st building permit	Identify intended subsidies, incentives, and financing mechanisms for all phases to the satisfaction of the Director of Community Development.
Prior to issuance of the 601st building permit	Submit and obtain approval for a marketing plan from the Community Development Department.
Prior to issuance of the 701st building permit	Submit a design development plan to the Planning Department for the construction of Phase I low income housing units (30 units).
Prior to issuance of the 901st building permit	Obtain Design Review approval for the construction of the Phase I low income housing units.
Prior to issuance of the 1,001st building permit for EastLake Trails	Obtain building permits for the construction of the Phase I low income units and identify specific location of low income units within project.
Prior to the issuance of the 1,301st building permit or one year from the date of the issuance of the first low income building permit issuance, whichever occurs first.	Obtain City's final inspection and utilities release for low income units or obtain Director of Community Development approval of up to a maximum of six month extension based upon market pre-sales rate of low income units.
Total Low Income Housing Units, Phase I	30

Low Income Housing EastLake Comprehensive Affordable Housing Program PHASE II	
Timing	Items to be Completed
Prior to approval of the 1,601st building permit	Confirm location of low income housing site for Phase II.
Prior to issuance of the 1,701st building permit	Confirm intended subsidies, incentives, and financing mechanisms for all phases.
Prior to issuance of the 1,801st building permit	Submit and obtain approval for a marketing plan from the Community Development Department.
Prior to issuance of the 1,901st building permit	Submit a design development plan to the Planning Department for the construction of Phase II low income housing units (82 units).
Prior to issuance of the 2,101st building permit	Obtain Design Review approval for the construction of the Phase II low income housing units.
Prior to issuance of the 2,401st building permit	Obtain building permits for the construction of the Phase II low and moderate income units and identify specific location of low and moderate income units within project(s).
Prior to the issuance of the 2,701st building permit or one year from the date of the building permit issuance, whichever occurs first.	Obtain City's final inspection and utilities release for low income units or obtain Director of Community Development approval of up to a maximum of six month extension based upon pre-sales rate of low income units.
Total Low Income, Phase II	82

Low Income Housing EastLake Comprehensive Affordable Housing Program PHASE III	
Timing	Items to be Completed
Prior to approval of the 2,401st building permit	Confirm location of low income housing site for Phase III.
Prior to issuance of the 2,501st building permit	Confirm intended subsidies, incentives, and financing mechanisms for all phases.
Prior to issuance of the 2,601st building permit	Submit and obtain approval for a marketing plan from the Community Development Department.
Prior to issuance of the 2,701st building permit	Submit a design development plan to the Planning Department for the construction of Phase III low income housing units (86 units).
Prior to issuance of the 3,001st building permit	Obtain Design Review approval for the construction of the Phase III low income housing units (86 units).
Prior to issuance of the 3,201st building	Obtain building permits for the construction of the Phase III low income units and identify specific location of low income units within project.
Prior to the issuance of the 3,501st building permit or one year from the date of the building permit issuance, whichever occurs first.	Obtain City's final inspection and utilities release for low income units or obtain Director of Community Development approval of up to a maximum of six month extension based upon pre-sales rate of low income units.
Total Low Income, Phase III	86

Low Income Housing EastLake Comprehensive Affordable Housing Program PHASE IV	
Timing	Items to be Completed
Prior to approval of the 3,954th building permit	Confirm location of low income housing site for Phase IV.
Prior to issuance of the 3,992nd building permit	Confirm intended subsidies, incentives, and financing mechanisms for all phases.
Prior to issuance of the 4,068th building permit	Submit and obtain approval for a marketing plan from the Community Development Department.
Prior to issuance of the 4,144th building permit	Submit a design development plan to the Planning Department for the construction of Phase IV low income housing units (25 units).
Prior to issuance of the 4,220th building permit	Obtain Design Review approval for the construction of the Phase IV low income housing units (25 units).
Prior to issuance of the 4,334th building	Obtain building permits for the construction of the Phase IV low income units and identify specific location of low income units within project.
Prior to the issuance of the 4,448th building permit or one year from the date of the building permit issuance, whichever occurs first.	Obtain City's final inspection and utilities release for low income units or obtain Director of Community Development approval of up to a maximum of six month extension based upon pre-sales rate of low income units.
Total Low Income, Phase IV	25

- Contingency Plan

Developer shall diligently pursue completion of the construction of the low-income housing units as per the above implementation schedule. However, if the performance obligations are not achieved as per the implementation schedule, in addition to any and all other rights and remedies the City may have to enforce Developer's affordable housing obligations, the City shall have the right to require that the EastLake Greens surplus low-income units be automatically used to satisfy the low-income housing obligation of EastLake II and III.

II.6.4.2 MODERATE INCOME HOUSING

- Moderate Income Housing Requirements

EastLake II & III includes 4,448 housing units of which five percent (5%), or two hundred twenty-three (223), must be moderate income housing units. The moderate income housing obligation may be met through a combination of housing types including rental and “for sale” housing.

- Moderate Income Housing Sites

The residential densities of Medium, Medium-High and High have been selected as the sites for moderate income housing units within the EastLake II & III project. The location of these parcels are distributed throughout the project (refer to General Development Plans).

- Phasing

The moderate income housing would be completed in four phases. The Initial Phase consists of 66 units and the Remaining Phases consist of 67, 65 and 25 units.

- Implementation Schedule

Moderate Income Housing EastLake Comprehensive Affordable Housing Program PHASE I	
Timing	Items to be Completed
Prior to issuance of the 1,201st building permit.	Provide proof to the satisfaction of the Community Development Director that 33 Moderate Income housing units have been delivered to Moderate Income family households.
Prior to the issuance of the 1,501st building permit	Provide proof to the satisfaction of the Community Development Director that 33 Moderate Income housing units have been delivered to moderate income households.
Total Moderate Income, Phase I	66
Moderate Income Housing EastLake Comprehensive Affordable Housing Program PHASE II	
Timing	Items to be Completed
Prior to issuance of the 2,401st building	Provide proof to the satisfaction of the Community Development Director that 33 Moderate Income housing units have been delivered to Moderate Income family households.
Prior to the issuance of the 2,701st building permit	Provide proof to the satisfaction of the Community Development Director that 34 Moderate Income housing units have been delivered to moderate income households.
Total Moderate Income, Phase II	67
Moderate Income Housing EastLake Comprehensive Affordable Housing Program PHASE III	
Timing	Items to be Completed
Prior to issuance of the 3,201st building	Provide proof to the satisfaction of the Community Development Director that 32 Moderate Income housing units have been delivered to Moderate Income family households.
Prior to the issuance of the 3,501st building permit or one year from the date of the building permit issuance, whichever occurs first.	Provide proof to the satisfaction of the Community Development Director that 33 Moderate Income housing units have been delivered to moderate income households.
Total Moderate Income, Phase III	65

Moderate Income Housing EastLake Comprehensive Affordable Housing Program PHASE IV	
Timing	Items to be Completed
Prior to issuance of the 3,751st building	Provide proof to the satisfaction of the Community Development Director that 13 Moderate Income housing units have been delivered to Moderate Income family households.
Prior to the issuance of the 3,851st building permit or one year from the date of the building permit issuance, whichever occurs first.	Provide proof to the satisfaction of the Community Development Director that 12 Moderate Income housing units have been delivered to moderate income households.
Total Moderate Income, Phase IV	25

II.6.4.3 AFFORDABLE HOUSING RESTRICTIONS

- Income Eligibility

To determine the eligibility of a household for the low income housing unit, the household purchasing or renting the affordable unit must qualify as a low income household, as established by and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 and as also published in the California Administrative Code. See Exhibit 2 for the annual income limits as published by the United States Department of Housing and Urban Development (HUD).

- Affordable Monthly Rents

For rental housing, compliance with the affordable housing requirements is determined by verifying that the total rent cost paid by the tenant is considered affordable as defined below.

To determine affordable rent costs, monthly “Affordable Rent” includes all actual or projected monthly payments for the following:¹

- Use and occupancy of a housing unit and the associated land and facilities;
- Any separately charged fees and service charges assessed by the lessor which are required by all tenants but is not to include security deposits;
- A reasonable allowance for utilities (including garbage collection, sewer, water, electricity, gas and other heating, cooking, and refrigeration fuels but

¹ 25 California Code of Regulations Section 6918

not to include telephone service, cable TV, or high speed modem) as defined by the Federal Regulations for the Tenant Based Rental Assistance Program; and,

- Possessory interest taxes or other fees and charges assessed for use of the associated land and facilities by a public or private entity other than the lessor.

Affordable monthly rent is not to exceed the following calculations:

- Very Low Income: 50 percent of the Area Median Income (AMI) for San Diego County, adjusted for household size appropriate for the unit, multiplied by 30 percent and divided by 12.
- Low Income: 80 percent of the Area Median Income (AMI) for San Diego County, adjusted for household size appropriate for the unit, multiplied by 30 percent and divided by 12.
- Moderate-income: 120 percent of the Area Median Income (AMI) for San Diego County, adjusted for household size appropriate for the unit, multiplied by 28 but not more than 35 percent and divided by 12.

Should subsidized financing and other incentives from a public agency be proposed and obtained, the affordable monthly rent shall be dictated by such program or granting Agency. If no affordable rent is specified, affordable monthly rents shall be established in accordance with Section 50053 of the California Health and Safety Code.

- Affordable Housing Costs for Owner Occupied Housing

For ownership housing (for sale units), compliance with the affordable housing requirements is determined by verifying that the sales price paid by the buyer equates to a total housing cost that is considered affordable as defined below.

To determine affordable housing costs, monthly "Housing Payments" includes all actual or projected monthly payments for the following:

- Principal and interest on a mortgage loan, including rehabilitation loans, at the time of initial purchase by the home buyer;
- Allowances for property and mortgage insurance;
- Property taxes and assessments; and
- Homeowner association fees.

Affordable monthly housing payments are not to exceed the following calculations:

- Very Low Income: 50 percent of the Area Median Income (AMI) for San Diego County, adjusted for household size appropriate for the unit, multiplied by 30 percent and divided by 12.
- Low Income: 80 percent of the Area Median Income (AMI) for San Diego County, adjusted for household size appropriate for the unit, multiplied by 30 percent and divided by 12.
- Moderate-income: 120 percent of the Area Median Income (AMI) for San Diego County, adjusted for household size appropriate for the unit, multiplied by 28 but not more than 35 percent and divided by 12.

Should subsidized financing and other incentives from a public agency be proposed and obtained, the affordable monthly housing payment shall be dictated by such program or granting Agency. If no affordable monthly housing payment is specified, the affordable monthly housing payment shall be established in accordance with Section 50052.5 of the California Health and Safety Code.

- Underwriting Requirements

To ensure the preservation of affordability of proposed low and moderate-income housing and the financial viability of program participants, the City shall encourage the following policies:

- Fixed rate mortgages only. No adjustable rate mortgages;
 - Affordable monthly housing payments not to exceed 33 percent of household income ("Front End Ratio"). Total debt payments not to exceed 45 percent of household income ("Back End Ratio");
 - No "teaser" rates; and,
 - No non-occupant co-borrowers.
- Resale Provisions of Owner Occupied Housing

In order to ensure the continued affordability of the units, resale of the units must be restricted for the required term of thirty (30) years. After initial sale of the affordable units to a low-income household, all subsequent buyers of such units must also be income eligible and the unit must be sold at an affordable price. A developer may opt to have no income or sales price restriction for subsequent buyers, provided however that restrictions to the satisfaction of the City are in place that would result in the recapture by the City or its designee of a financial interest in the units equal to the amount of subsidy necessary to make the unit affordable to a low income household and a proportionate share of any equity, to be determined and specified within the Affordable Housing Agreement executed for the proposed affordable housing development. Funds recaptured by the City shall be used to provide assistance to other identified affordable housing production or contributions to a special needs housing project or program. To the extent possible, projects using for-sale

units to satisfy the obligations of developers under the City's Affordable Housing Program shall be designed to be compatible with conventional mortgage financing programs including secondary market requirements.

- Term of Affordability Restrictions

Should subsidized financing be proposed and obtained, income and rent restrictions for an affordable rental project shall be implemented for the remaining life of the project, which is presumed to be a minimum of fifty-five (55) years from the date of completion of the final inspection for each structure. In the event that no subsidized financing is obtained, such affordability restrictions shall remain in effect for thirty (30) years from the date of completion of the final inspection for each structure. The term of affordability and resale restrictions for affordable for-sale units is more appropriately described above, "Resale Provisions of Owner Occupied Housing".

II.6.4.4 SUBSIDIES, INCENTIVES AND FINANCING MECHANISMS

The City agrees to use its reasonable best efforts to assist the developer in pursuing the benefit of certain financing mechanisms, subsidies, and other incentives to facilitate the provision of affordable housing for low and moderate income households to the extent such resources and programs for this purpose are available. These mechanisms, subsidies, and incentives, which could reduce the cost of providing affordable housing, include, but are not limited to, local, state and federal subsidies, City density bonuses, planning and design and development techniques and standards, and City fee deferrals or waivers (collectively, the "Cost Reducing Mechanisms").

Potential subsidies, incentives, and financing mechanisms that may be used to facilitate the provision of affordable housing include the following:

- Low Income Housing Tax Credits (LIHTC) - statewide competition;
- Housing Bonds - State;
- Housing Bonds - City;
- Redevelopment Low and Moderate-income Housing fund - Redevelopment Agency;
- HOME - City and County;
- CBDG - City; and
- Other Public Financing - State and Federal.

This list is not intended to limit the use of other subsidies, incentives, or other financing mechanisms that are now available or may become available in the future.

The parties acknowledge that the City is not hereby committing and cannot guarantee the availability of any Cost Reducing Mechanisms to the Developer for EastLake II & III. The City reserves the right to approve or disapprove, in its sole discretion, any developer request for substantial financing.

- Density Bonus

Projects which meet the applicable requirements of State Law (Government Code Section 65915) as a result of the affordable housing units are entitled to a density bonus or other additional incentives in accordance with the provisions of such law.

II.6.4.5 COMPLIANCE REPORTING

All Compliance Reports shall be submitted to the City of Chula Vista Community Development Department and an independent trustee hired by the Developer to monitor the Developer's compliance. The requirements imposed by providers of subsidized financing or other Cost Reducing mechanisms may replace the terms described below if City so approves.

Rental Units' Compliance Packet and Audit

- a. Should a Developer seek approval by the City to credit a tenant toward its low income housing obligation, the Developer must give the City, at a minimum, a compliance packet including the following:

- Supplemental Rental Application - Exhibit 3A
- Semi-Annual Report - Exhibit 4-B, 4-C
- Authorization to Release Information by Purchaser
- Acknowledgment that the Information is for City's Reporting and Administration Use Only

Developer shall not be required to perform any extraordinary investigation or verification regarding such information other than Developer's usual and customary means of income verification. Developer shall retain the Supplemental Rental Application and any supporting documents for a period of at least three (3) years after the applicant ceases to occupy a low income housing unit.

- b. Should a Developer seek approval by the City to credit a dwelling unit towards its moderate income housing obligation, the Developer must give the City, at a minimum, a report verifying compliance with the terms of this document and/or the subsidized financing program:

- Annual Moderate Income Affordable Housing Monitoring Report (Exhibit 5).

Developer shall retain any supporting documents for a period of at least three (3) years after the initial occupancy of the unit to verify the accuracy of the monitoring report.

Developer shall not be required to perform any investigation or verification of income for purposes of qualifying the household for moderate income eligibility.

- c. A household occupying a designated low income unit whose annual income increases subsequent to occupying said unit (referred to as "over income household") and thus exceeds the 80% of area median income, need not vacate the apartment. However, at the Developer's discretion, this over income household's monthly rent (including utilities) may be increased to the market rate. Regardless of a rent increase, the Developer can no longer credit this over income household toward its 5% low income requirement and is obligated to replace this unit by renting the next comparable unit to a low income household as per the paragraph below. Thus, the Developer shall ensure appropriate language is included in the lease requiring tenant to provide income information biannually and acknowledge that should its income increase, the household may be subject to a higher rent. Adjusted monthly incomes can be calculated using rules according to the HUD Handbook 4350/3 Occupancy Requirements for HUD Subsidized Multifamily Housing.

The location of the designated units may change over time (to be referred to as "floating units") as long as the total number of affordable units remains constant and that substituted units are comparable in terms of size, features, and the number of bedrooms, as determined by the Director of the Community Development Department. If the over income household does not vacate the unit, the Developer must assure that when the next comparable apartment becomes vacant, the newly available unit must be rented to a low and/or moderate income household, as a floating unit, to replace the previously designated unit no longer housing a low income household. If the over income household chooses to leave, the vacated unit retains its low income unit designation.

If a residential apartment complex is designated as 100% low income, the over income household will not be required to vacate, if it pays the increased rent, and the unit will not be replaced with a "floating unit". When the over income household vacates the unit, the unit retains its low income unit designation.

- d. If the city determines that an outside audit is necessary to verify the accuracy of the submitted rent roll, then on a basis no more frequently than once a year, it may require such an audit at the expense of Developer. In such event, within ten (10) days after delivery of the City's written request for such outside audit, Developer shall deliver to the City the names of three (3) certified public accountants doing business in the Metropolitan San Diego area. City will promptly deliver to Developer notice of approval by the City of one or more of said names.

The audit shall be completed by an approved certified public accountant, at Developer's sole cost and expense, within sixty (60) days after the delivery to Developer of City's approval. The certified public accountant shall promptly deliver

a copy of the written audit to the City. Such audit shall be an audit of Developer's records, including the information supplied to Developer by the low income tenants. The auditor shall not be required to verify the accuracy of the information provided by the low income tenants.

- Home Ownership Units' Compliance Packet

Should Developer seek approval by the City to credit a home purchase toward its low income housing obligation, the Developer must give the City at a minimum a compliance packet including the following:

- Copy of Settlement Sheet
- Final 1003, Uniform Underwriting Transmittal Summary Settlement Statement, or 1008 and Good Faith Estimate
- Verification of low income buyer completed by developer under or on behalf of the City

Developer shall not be required to perform any extraordinary investigation or verification regarding such information other than Developer's usual and customary means of income verification.

Developer may contact the City's Community Development Housing Division's Housing Coordinator to confirm the City's acceptance of the applicant as credit toward Developer's low income housing unit obligation. Developer may contact the City prior to the sale of the unit for consultation purposes if desired; however, approval will be given in writing only after required documents are reviewed and accepted by the City.

Should Developer seek approval by the City to credit a home purchase toward its moderate income housing obligation, the Developer must give the City at a minimum a compliance packet including the following:

- Homebuyer's Qualifying Form (Exhibit 6).

Developer shall retain any supporting documents, such as copies of settlement sheets, the Final 1003 or other appropriate documents, for a period of at least three (3) years after the initial sale of the unit to verify the accuracy of the monitoring report.

Developer shall not be required to perform any investigation or verification of income for purposes of qualifying the household for moderate income eligibility.

II.6.4.6 AFFIRMATIVE MARKETING PLAN

Developer shall provide a marketing plan acceptable to the City, in the City's reasonable discretion, for proactively marketing the low and moderate income housing units to low and moderate income tenants and purchasers, respectively, at the time specified in the Implementation Schedules in Sections A5 and B4 above. Developer shall use good faith and reasonable best efforts to market the low and moderate income housing units to low and moderate income tenants and purchasers according to the affirmative marketing plan. See Exhibit 7, attached hereto, which sets forth the plan requirements.

The City will in its discretion use good faith and reasonable best efforts to assist Developer in marketing low and moderate income housing units to low and moderate income tenants and purchasers, obtaining the services of a third-party organization in connection with such marketing efforts, processing the applications of prospective tenants and purchasers of low and moderate income housing units, and complying with the reporting requirements as required herein.

II.6.4.7 IMPLEMENTING AGREEMENTS AND CONDITIONS

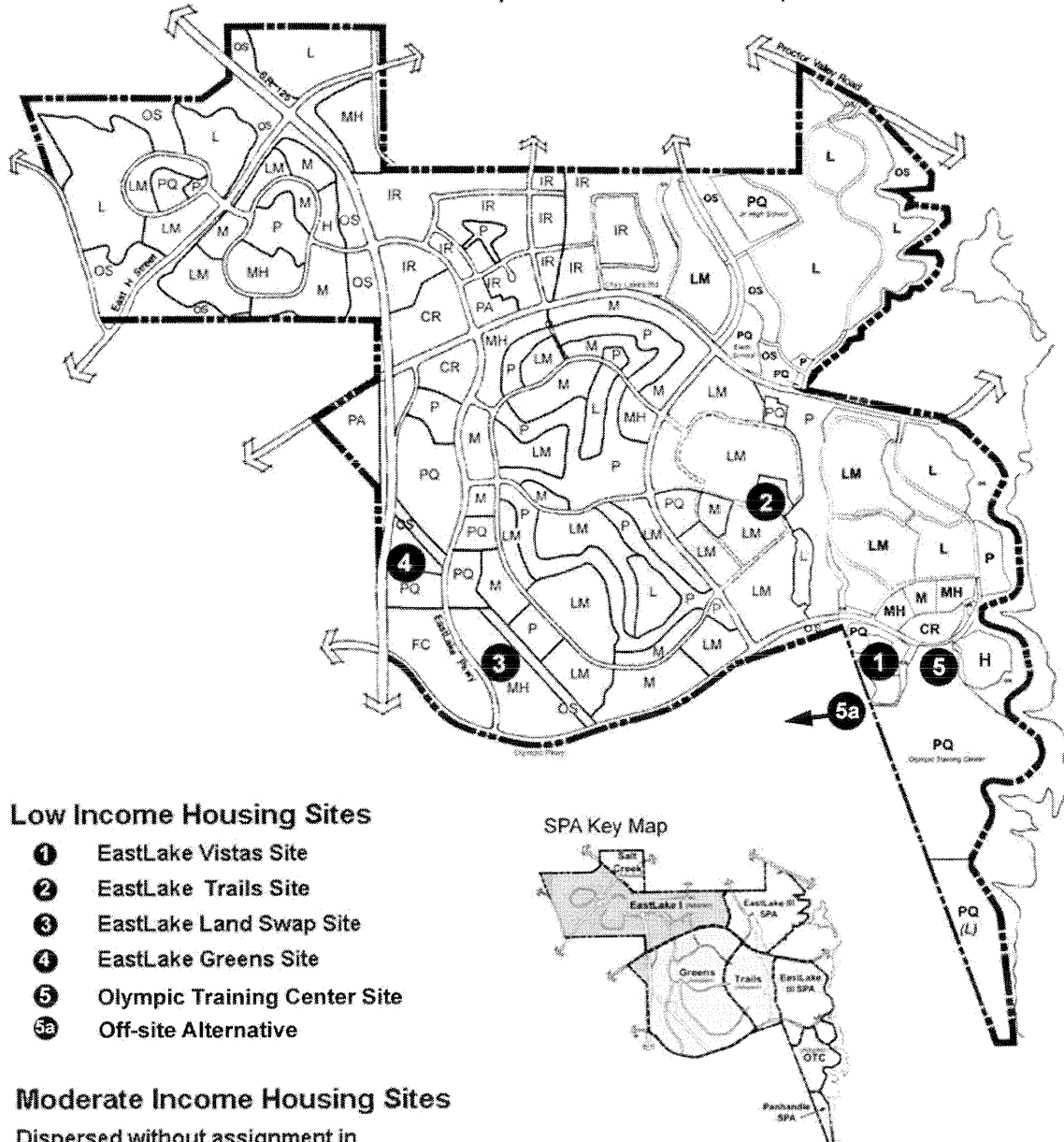
This AHP may be implemented through various mechanisms including development agreements, tentative map conditions, and specific housing project agreements which may impose additional terms and conditions consistent herewith.

II.6.5 EXHIBITS

EXHIBIT 1

Low & Moderate Income Housing

Composite General Development Plan for EastLake



Low Income Housing Sites

- ① EastLake Vistas Site
- ② EastLake Trails Site
- ③ EastLake Land Swap Site
- ④ EastLake Greens Site
- ⑤ Olympic Training Center Site
- ⑤a Off-site Alternative

Moderate Income Housing Sites

Dispersed without assignment in
M, MH, & H Categories

EASTLAKE
A planned community by The EastLake Co.

Cinti Land Planning
San Diego, CA (619) 223-7408



1/18/06

EXHIBIT 2

CITY OF CHULA VISTA
INCOME AND MAXIMUM HOUSING EXPENSES FOR LOWER AND MODERATE-INCOME HOUSEHOLDS
 (Based upon 2002 HUD Median Income Data Effective December 10, 2001)

HOUSEHOLD SIZE	30%			40%			50%					
	ANNUAL INCOME	MONTHLY INCOME	VERY LOW INCOME	ANNUAL INCOME	MONTHLY INCOME	VERY LOW INCOME	ANNUAL INCOME	MONTHLY INCOME	VERY LOW INCOME			
ONE	\$12,600	\$1,050	\$263	\$315	\$16,850	\$1,404	\$351	\$421	\$21,050	\$1,754	\$439	\$526
TWO	\$14,400	\$1,200	\$300	\$360	\$19,250	\$1,604	\$401	\$481	\$24,050	\$2,004	\$501	\$601
THREE	\$16,250	\$1,354	\$339	\$406	\$21,850	\$1,804	\$451	\$541	\$27,050	\$2,254	\$564	\$675
FOUR	\$18,050	\$1,504	\$376	\$451	\$24,050	\$2,004	\$501	\$601	\$30,050	\$2,504	\$626	\$751
FIVE	\$19,450	\$1,621	\$405	\$486	\$25,950	\$2,163	\$541	\$649	\$32,450	\$2,704	\$676	\$811
SIX	\$20,900	\$1,742	\$435	\$523	\$27,900	\$2,325	\$581	\$698	\$34,850	\$2,904	\$726	\$871
SEVEN	\$22,350	\$1,863	\$466	\$559	\$29,900	\$2,483	\$621	\$745	\$37,250	\$3,104	\$776	\$931
EIGHT	\$23,800	\$1,983	\$496	\$595	\$31,750	\$2,646	\$661	\$794	\$39,650	\$3,304	\$826	\$991

HOUSEHOLD SIZE	60%			70%			80%					
	ANNUAL INCOME	MONTHLY INCOME	LOW INCOME	ANNUAL INCOME	MONTHLY INCOME	LOW INCOME	ANNUAL INCOME	MONTHLY INCOME	LOW INCOME			
ONE	\$25,250	\$2,104	\$626	\$631	\$29,450	\$2,454	\$614	\$733	\$33,650	\$2,804	\$701	\$841
TWO	\$28,850	\$2,404	\$601	\$721	\$33,650	\$2,804	\$701	\$841	\$38,450	\$3,204	\$801	\$961
THREE	\$32,450	\$2,704	\$676	\$811	\$37,850	\$3,154	\$789	\$946	\$43,250	\$3,604	\$901	\$1,081
FOUR	\$36,050	\$3,004	\$751	\$901	\$42,050	\$3,504	\$876	\$1,051	\$48,100	\$4,008	\$1,002	\$1,203
FIVE	\$38,950	\$3,246	\$811	\$974	\$45,450	\$3,788	\$947	\$1,136	\$51,950	\$4,328	\$1,082	\$1,299
SIX	\$41,850	\$3,488	\$872	\$1,046	\$48,800	\$4,067	\$1,017	\$1,220	\$55,750	\$4,646	\$1,161	\$1,394
SEVEN	\$44,700	\$3,725	\$931	\$1,118	\$52,150	\$4,346	\$1,086	\$1,304	\$59,600	\$4,967	\$1,242	\$1,490
EIGHT	\$47,600	\$3,967	\$992	\$1,190	\$55,500	\$4,625	\$1,156	\$1,388	\$63,450	\$5,288	\$1,322	\$1,586

HOUSEHOLD SIZE	90%			100%			110%			120%						
	ANNUAL INCOME	MONTHLY INCOME	MODERATE INCOME	ANNUAL INCOME	MONTHLY INCOME	MODERATE INCOME	ANNUAL INCOME	MONTHLY INCOME	MODERATE INCOME	ANNUAL INCOME	MONTHLY INCOME	MODERATE INCOME				
ONE	\$37,850	\$3,154	\$789	\$946	\$39,850	\$3,321	\$830	\$996	\$46,300	\$3,858	\$955	\$1,158	\$50,500	\$4,208	\$1,052	\$1,263
TWO	\$43,250	\$3,604	\$901	\$1,081	\$45,500	\$3,792	\$948	\$1,138	\$52,900	\$4,408	\$1,102	\$1,323	\$57,700	\$4,808	\$1,202	\$1,443
THREE	\$48,700	\$4,058	\$1,015	\$1,218	\$51,200	\$4,267	\$1,067	\$1,280	\$59,500	\$4,958	\$1,240	\$1,488	\$64,900	\$5,408	\$1,352	\$1,623
FOUR	\$54,100	\$4,508	\$1,127	\$1,353	\$56,900	\$4,742	\$1,185	\$1,423	\$66,100	\$5,508	\$1,377	\$1,653	\$72,120	\$6,010	\$1,503	\$1,803
FIVE	\$58,400	\$4,867	\$1,217	\$1,460	\$61,450	\$5,121	\$1,280	\$1,536	\$71,400	\$5,950	\$1,488	\$1,785	\$77,900	\$6,492	\$1,623	\$1,948
SIX	\$62,750	\$5,229	\$1,307	\$1,569	\$66,000	\$5,500	\$1,375	\$1,650	\$76,700	\$6,392	\$1,598	\$1,918	\$83,650	\$6,971	\$1,743	\$2,091
SEVEN	\$67,050	\$5,588	\$1,397	\$1,676	\$70,550	\$5,879	\$1,470	\$1,764	\$82,000	\$6,833	\$1,708	\$2,050	\$89,450	\$7,454	\$1,864	\$2,236
EIGHT	\$71,400	\$5,950	\$1,488	\$1,785	\$75,100	\$6,258	\$1,565	\$1,878	\$87,250	\$7,271	\$1,818	\$2,181	\$95,250	\$7,933	\$1,983	\$2,380

1. Annual Income = Gross annual income adjusted by household size.

2. Monthly Income = The annual income adjusted by household size divided by 12 months.

3. 25% = The monthly amount of household income used for total housing expenses (i.e., Monthly income times .25)

4. 30% = The monthly amount of household income used for total housing expenses (i.e., Monthly income times .30)

Specific program requirements may vary. Please contact the City of Chula Vista Community Development Department Housing Division for specific program information.

SUPPLEMENTAL RENTAL APPLICATION

The information required on this form is necessary to determine your income eligibility to occupy the unit. You must report all household income. Information provided will be confidential and not subject to public disclosure pursuant to State Government Code Section 6254(h).

5. Total Gross Annual Household Income shown on most recent Federal Tax return (attach copies of most recent Federal Tax returns for all household members receiving income. Include other verification of income not appearing on tax forms.)
- TOTAL \$

I certify, under penalty of perjury, that the foregoing information is true and correct to the best of my knowledge. I understand that any misrepresentation of the information contained herein may be cause for eviction.

EXHIBIT 3B**OWNER'S STATEMENT**

Based on the foregoing information, I certify, under penalty of perjury, that the applicant is eligible to occupy this restricted affordable unit. Eligibility is based on finding that the applicant household's current annual income is \$_____ and does not exceed the current maximum household income of \$_____ allowed under the terms of a Development Agreement with the City of Chula Vista regarding this residential development.

Name _____

Title _____

Signature _____ Date _____

EXHIBIT 4-A**Owner's Certification**

I am the owner or owner's representative for an affordable housing development in the City of Chula Vista, which is bound by a Housing Agreement with the City.

I certify under penalty or perjury that the attached rent roll for affordable units at my project is true and correct to the best of my knowledge and complies with the terms and conditions stipulated in the Affordable Housing Agreement, or any agreement that implements the same, with the City of Chula Vista.

Name _____

Title _____

Signature _____ Date _____



SEMI-ANNUAL AFFORDABLE HOUSING MONITORING REPORT

EXHIBIT 4-B

Project Name: _____

Project Address: _____

Contact Person: _____ Title: _____

Telephone No.: _____ Fax No.: _____

☐ June 30, _____ ☐ December 31, _____

As of (Date): _____ Date: _____

Reviewed By: _____

Bdrm Size	Restricted - Affordable		Non-Restricted		TOTAL
	No. of Units		No. of Units	Avg Monthly Rent	
Studio					
1 Bedroom					
2 Bedrooms					
3+Bedrooms					
TOTAL					

Unit No.	Bdrm Size	Monthly Rent \$	Name of Household	No. of Occupants	Total Monthly Household Income \$	Percent Median Income	Seniors – One Occupant 60 Yrs+ (Y/N)	Date of Last Income Re-Examination	FOR CITY USE ONLY	
									Unit in Compliance (Y/N)	
Example	2	\$695	Doe, John	2	\$2,800	%	N/A	1/99		
1.		\$			\$	%				
2.		\$			\$	%				
3.		\$			\$	%				



SEMI-ANNUAL AFFORDABLE HOUSING MONITORING REPORT

Project Name: _____

As of (Date): ☐ June 30, _____

☐ December 31, _____

	Unit No.	Bdrm Size	Monthly Rent \$	Name of Household	No. of Occupants	Total Monthly Household Income \$	Percent Median Income	Seniors – One Occupant 60 Yrs+ (Y/N)	Date of Last Income Re- Examination	FOR CITY USE ONLY
										Unit in Compliance (Y/N)
4.			\$			\$	%			
5.			\$			\$	%			
6.			\$			\$	%			
7.			\$			\$	%			
8.			\$			\$	%			
9.			\$			\$	%			
10.			\$			\$	%			
11.			\$			\$	%			
12.			\$			\$	%			
13.			\$			\$	%			
14.			\$			\$	%			
15.			\$			\$	%			
16.			\$			\$	%			
17.			\$			\$	%			
18.			\$			\$	%			
19.			\$			\$	%			
20.			\$			\$	%			

Deadline for Submittal: January 15th and July 15th of each year.
(04/08/08)

AFFORDABLE HOUSING PROGRAM



SEMI-ANNUAL AFFORDABLE HOUSING MONITORING REPORT

EXHIBIT 4-C

**Narrative Summary
for Transitional Housing Programs**

Project/Program Description:

Notable Objectives:

Analysis of the Completion of Objectives:

Reasons for Changes/Delays in Completion of Objectives:

Procedures/Actions to Increase/Decrease Effectiveness of the Program:

Other Comments:

Exhibit 5



ANNUAL MODERATE INCOME AFFORDABLE HOUSING MONITORING REPORT

Project Name (include Master Plan Community if applicable): _____

Project Address: _____

Contact Person: _____ Title: _____

Telephone No.: _____ Fax No.: _____

As of (Date): ☐ June 30, _____ ☐ December 31, _____

Reviewed By: _____ Date: _____

Bdrm Size	Affordable-Moderate Income		Non-Restricted/Market Rate		TOTAL UNITS
	No. of Units	Monthly Rent	No. of Units	Avg Monthly Rent	
Studio					
1 Bedroom					
2 Bedrooms					
3 Bedrooms					
4 Bedrooms					
TOTAL					

Deadline for Submittal: 15 days after year end
(04/08/08)

Revised: June 201
AFFORDABLE HOUSING PROGRAM

Exhibit 5



ANNUAL MODERATE INCOME AFFORDABLE HOUSING MONITORING REPORT

Owner's Certification

I am the owner or owner's representative for an affordable housing development in the City of Chula Vista, which is bound by a Housing Agreement with the City.

I certify under penalty or perjury that the attached rent roll for affordable units at my project is true and correct to the best of my knowledge and complies with the terms and conditions stipulated in the Affordable Housing Agreement, or any agreement that implements the same, with the City of Chula Vista.

Name _____

Title _____

Signature _____ Date _____

EXHIBIT 6



HOMEBUYER'S QUALIFYING FORM

BUYER'S INFORMATION

Buyer's Name: _____

Current Address: _____

Current Household Income: \$ _____ Household Size: _____

NEW HOME INFORMATION

Master Plan Community: _____

Name of Residential Development: _____

Tract: _____ Lot No.: _____

Lot Address: _____

No. of Bedrooms: _____

Purchase Price²: _____

Monthly PITI Payment: \$ _____ % of Income: _____ %

Year of Purchase: _____

Sales Representative: _____

Signature of Homebuyer
Authorizing Release to City

Date

This information is for the City's Reporting and Administrative Use Only

2 The sales price of any unit being sold in partial satisfaction of Developer's obligation to provide moderate income housing shall not exceed the affordable housing costs for owner occupied housing as defined within the Affordable Housing Program for the master plan community.

EXHIBIT 7

City of Chula Vista Equal Housing Opportunity Requirements For The Low/Moderate Income Housing Affirmative Marketing Plan

Every Developer complying with the City of Chula Vista's Housing Element's "Affordable Housing Plan" shall submit to the City an Affirmative Marketing Plan for City Review and Approval which details actions the Developer will take to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, sex, sexual orientation, marital status, family status, color, religion, national origin, ancestry, or handicap, age or any other category which may be defined by law now or in the future.

- I. The City of Chula Vista Affirmative Marketing Requirements are as follows. Please note, however, the Plan is not limited to these Requirements.
 - (i) Detail methods for informing the public, buyers and potential tenants about Federal fair housing laws and the City of Chula Vista's affirmative marketing policy;
 - (ii) Publicize to minority persons the availability of housing opportunities through the type of media customarily utilized by the applicant, including minority outlets which are available in the housing market area;
 - (iii) Identify by language and by number any significant number of persons in a community within the housing market area who have limited fluency in the English language:
 - (iv) Where there is a significant number of persons in a community within the housing market area who have limited fluency in the English language, the Plan shall:
 - (a) Identify the media most likely to reach such persons.
 - (b) Advertise for the housing development in the native language of such persons, in addition to the English language, and
 - (c) Describe the provisions which the housing sponsor will make for handling inquiries by and negotiations with such persons for the rental or sale of units in the development.
 - (v) Detail procedures to be used by the Developer and/or property manager to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing without special outreach (e.g., use of community organizations, places of worship, employment centers, fair housing groups, or housing counseling agencies).

II. Records must be kept describing actions taken by the Developer and/or property managers to affirmatively market units and records to assess the results of these actions:

(i) The records shall include a copy or transcript of the advertisement copy, the identity of the media in which it was disseminated, and the date(s) of each appearance. The housing sponsor shall also keep a record of the dates and places of any meetings or communications between the housing sponsor and any individual or group referred to the housing sponsor by the agency or organizations representing any of the groups within the community acting on behalf of any classification of minority persons described above. Such records shall be retained for a period of five years;

(ii) A description of how the Developer and/or property managers will annually assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met; and

(iii) The Developer/property manager shall furnish all information and reports required hereunder and will permit access to its books, records and accounts by the City of Chula Vista, HUD or its agent, or other authorized Federal and State officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

III. The City of Chula Vista may from time to time review the Plan and the Developer's and property manager's activities pursuant to the Plan and may require amendments to the Plan if it does not fully comply with the requirements of this section.

IV. An affirmative marketing program shall be in effect for the duration of the Qualified Term defined in the Affordable Housing Agreement.

V. If a source of funding used in a low/moderate income housing development, such as federal or state funds, has affirmative marketing requirements more restrictive than the City of Chula Vista's affirmative marketing requirements, then the more restrictive applies.

SECTION II.6

EASTLAKE COMPREHENSIVE AFFORDABLE HOUSING PROGRAM

Supplemental to Incorporate the Olympic Pointe Project

September 27, 2011

This information is to supplement the **EASTLAKE COMPREHENSIVE AFFORDABLE HOUSING PROGRAM** as Approved by the Chula Vista City Council Resolution No. 2001-220 July 17, 2001 and further amended by Resolution No. 2006-190 June 26, 2006

11.6.4.1 LOW INCOME HOUSING (additional information)

The Olympic Pointe Project (427 units) will trigger the requirement for 21 low income units, based upon a minimum of five percent (5%) of the units. This requirement shall be satisfied prior to the issuance of any building permit(s) for the Olympic Pointe Project.

- Low Income Housing Sites

Site 5. This site is located in the Olympic Training Center (OTC) parcel which is designated Public/Quasi-public. Resident housing for athletes is permitted within the mix of uses allowed by the OTC SPA Plan. The low income housing units will be integrated into the overall development of the training facility.

Site 5a. This represents an alternative location for affordable housing that is not located within Eastlake II and HI ("off-site") that has yet to be determined. In determining an appropriate off-site location, site selection criteria as specified within this Program and the number of units remaining to satisfy the affordable housing requirement shall be considered.

- Alternative Methods of Compliance

As of February 1, 2006, entitlements have been received on all properties within Eastlake II and III, with the exception of the Olympic Pointe site. Additionally, building permits have been issued and/or finalized for approximately 84% of the total housing units. Based upon the timing of development, the remaining obligation of 21 low income housing units (Phase IV), difficulty in integrating the affordable housing within the remaining development opportunities, the new construction of units may present an "unreasonable hardship" and alternative methods of compliance may be required.

Consistent with Policy 3.1 of the City's Housing Element of the General Plan, Phase IV of the low income housing obligation may be produced at an alternative off-site location. The proposed offsite location within the EastLake Community is proposed to be located on the Olympic Training Center (OTC).

Approximately 80 percent of the athletes in training at the OTC are considered to be of very low income and a significant number of the employees are at an income level which would qualify them as low income. The OTC has only developed a portion of the Center's housing units for its athletes, requiring the majority of them to seek housing elsewhere within the Chula Vista area. Affordable housing, public transportation and neighborhood services are not within close proximity to the OTC. Athletes must therefore seek housing opportunities in

more affordable areas of the community and take on the costs of residing far from their place of training/work. By providing affordable housing within the OTC, athletes and employees will have greater opportunities to reside onsite and therefore, will result in less impact on the affordable housing stock within Chula Vista and costs to the athlete.

If it is determined that the inclusion of affordable housing for athletes and employees of the OTC within Site 5 is not feasible, the affordable housing obligation may be satisfied through the production or operation of affordable housing at another off site location yet to be determined if the City determines, at its sole discretion, that the public interest would be better served by allowing such off-site alternative. In considering an appropriate off-site location the following factors should be addressed:

- Preferred product type to meet the most pressing needs of low income residents: Affordability in excess of the requirements of the City's Affordable Housing Program;
- Balance of housing opportunities for lower income households throughout the community to avoid concentrations of low income housing; and,
- Location advantages such as proximity to jobs, schools, transportation and services,

Should an on-site location be determined to be infeasible, at the sole discretion of the City, the City may allow the payment of an in-lieu fee, as may be adopted by the City Council. Such fee shall be based upon the cost of the subsidy necessary to bring the market-rate cost of housing to the required affordability level for low income households.

As per that Agreement to Post Security for Affordable Housing dated April 15, 2008 and that First Amendment to the Agreement to Post Security for Affordable Housing Dated November 2, 2009 between the City of Chula Vista, EastLake Development Company and PRII Windstar Pointe Master LLC ("Affordable Housing Agreements"), the affordable housing obligation for the Project has been satisfied. Any low income housing unit(s) created in satisfaction of the Project's affordable housing obligation which exceeds the final requirement for the project, as a result of a decrease in the number of units actually constructed, shall be considered an "Affordable Housing Credit". The project was originally proposed as Windstar Pointe Resort, a 494 unit development, with a 25 low income unit obligation. Pursuant to the Affordable Housing Agreements, that 25 low income obligation is satisfied. The project was subsequently approved as the 389 unit Olympic Pointe project, with only 19 low income units needed. It is anticipated that revisions to this project will increase the total number of units from 389 to 427 units, with only a 21 low income unit obligation. Therefore, four (4) excess Affordable Housing Credits are remaining based upon this overall decrease of units. Such Credits may be utilized by Eastlake Development Company or conveyed to another person or entity to be used against a future obligation to provide low and/or

moderate income housing units in the City of Chula Vista. The proposed use of the Affordable Housing Credits by persons or entities other than Eastlake Development Company must first obtain the consent of the Development Services Director.

SECTION II.6

EASTLAKE COMPREHENSIVE AFFORDABLE HOUSING PROGRAM

A COMPREHENSIVE PLAN
FOR
THE PROVISION OF
AFFORDABLE HOUSING

EASTLAKE TRAILS,
WOODS, VISTAS
AND
"LAND SWAP" PARCELS

Approved by the Chula Vista City Council
Resolution No. 2001-220
July 17, 2001

Revised by
Bud Gray & Associates
2452 Arrowhead Court
Chula Vista, CA 91915
Contact: Bud Gray
(619) 656-6323

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II.6.1 INTRODUCTION

The City of Chula Vista (“City”), along with all other cities in California, is required by state law to have a Housing Element as a component of its General Plan. The Housing Element describes the housing needs of the community and the responses necessary to fulfill them.

The City of Chula Vista Housing Element of 1991 contains numerous objectives, policies and related action programs to accomplish these objectives. Key among these policies is the affordable housing policy which requires that residential development with fifty (50) or more dwelling units provide a minimum of 10% of the total dwelling units for low and moderate income households, one-half of these units (5% of the total project) being designated to low income and the remaining five percent (5%) to moderate income households.

In order to guarantee the provision of Affordable Housing opportunities, the City requires that a specific Affordable Housing Program (“AHP”) and agreement be consistent with the Housing Element of the Chula Vista General Plan and be prepared and signed by the Developer. This Affordable Housing Program is intended to delineate how, when and where the units would be provided, intended subsidies, income rent restrictions and methods to verify compliance. The program may be implemented through various mechanisms including development agreements, tentative map conditions, and specific housing project agreements which may impose additional terms and conditions consistent herewith.

The EastLake Comprehensive Affordable Housing Program, as used herein, applies to the following future neighborhoods identified in the EastLake II & EastLake III General Development Plans.

- EastLake Trails (EastLake II GDP)
- EastLake Vistas (EastLake III GDP)
- EastLake Woods (EastLake III GDP)
- EastLake Land Swap Parcels (EastLake II GDP)

The EastLake Comprehensive Affordable Housing Program is consistent with the City’s affordable housing policies and is expected to be completed in three phases. Construction of 30 low income and 30 moderate income housing units in the Initial Phase is scheduled to begin before the issuance of the 1,001st building permit. The second phase is scheduled to start before the issuance of the 2401st building permit. The third phase is scheduled to start before the issuance of the 3,201st building permit (see the section entitled “Implementation Schedule” in this program). EastLake II & III are planned to include a total of 3,954 housing units.

The low income housing units (198) shall be located at three sites in the different neighborhoods as shown on Exhibit 1, Low Income Housing Sites. The moderate income housing units (198) are expected to be distributed throughout the project in Residential - Medium Density, Residential - Medium-High Density, and Residential - High Density.

II.6.2 DEFINITIONS

Affirmative Marketing Plan:

An outline that details actions the developer will take to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, sex, sexual orientation, marital status, familial status, color, religion, national origin, ancestry, handicap, age, or any other category which may be defined by law now or in the future.

Low Income Household:

A household of persons who claim primary residency at the same unit with combined incomes that do not exceed 80% of the Area Median Income for the San Diego area (adjusted annually) based on household size, as established by and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 and as also published in the California Administrative Code. See Exhibit "2" for the annual income limits as published by the United States Department of Housing and Urban Development (HUD). Household size is calculated by the number of persons residing at the same unit as their primary residency.

Moderate Income Household:

A household of persons who claim primary residency at the same unit with combined incomes between 80% to 120% of the Area Median Income for the San Diego area (adjusted annually) based on household size, as established by and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 and as also published in the California Administrative Code. See Exhibit "2" for the annual income limits as published by the United States Department of Housing and Urban Development (HUD). Household size is calculated by the number of persons residing at the same unit as their primary residency.

San Diego Area Median Income:

The San Diego County area median income level as determined from time to time by the Department of Housing and Urban Development, United States Government, based on household size.

Subsidized Financing:

Any financing provided by any public agency specifically for the development and construction of low or moderate income housing units, including but not limited to the following:

- Low Income Housing Tax Credits (LIHTC) – statewide competition;
- Housing Bonds – State;
- Housing Bonds – City;
- Redevelopment Low and Moderate-income Housing fund – Redevelopment agency;
- HOME – City and County;
- CDBG – City; and,
- Other Public Financing – State and Federal

II.6.3. NEEDS ASSESSMENT

According to SANDAG's Preliminary 2020 Cities/County Forecast, Chula Vista is expected to gain 46,000 new residents and 13,801 new households. The characteristics of the City's population, housing, and employment that affect its housing goals, policies, and programs include:

- Chula Vista residents have household income and age characteristics that nearly match the regional median.
- The population has more diversity in race/ethnicity than the region, in that 44 percent of the population is white (non-Hispanic) and 42 percent is Hispanic (all races), this compares to 61 percent and 23 percent respectively.

- Household size is slightly larger than the region, at 3.0 persons per household for Chula Vista, compared to 2.83 persons per household for the region.
- A large supply of vacant developable land is planned for communities with a wide variety of densities and land use types.
- The well established neighborhoods and master planned neighborhoods create different opportunities and require a different set of policies and programs to address housing needs.
- The City's diverse employment base will grow by more than 47 percent between 1995 and 2005, with the majority of growth in the retail, service, and government sectors.
- A high rate of new home construction is anticipated due to the many approved master planned communities in the City.
- Reinvestment in the well-established neighborhoods of Western Chula Vista continues to be needed.
- Approximately 13,000 units will be 50 years or older by 2004.
- A home ownership rate of 53 percent is nearly the same as the region's rate of 54 percent.
- The very low rental vacancy rate of 1.1 percent indicates likely increased housing costs and greater likelihood of over-crowding.
- The median housing cost (resale) of \$177,000 is \$18,500 less than the region's median cost of \$195,500.
- Average rents are 10 percent to 30 percent lower than the region wide average rents.

The City has two sets of numerical housing goals established by SANDAG, which are also addressed in the Housing Element; the City's share of the region's future housing needs (regional share goals) and the affordable housing goal for self-certification. The total regional share goal is 10,401 new housing units of which 1,889 are very low-income units and 1,535 are low-income units. The estimated affordable housing goal for self-certification in 2004 is 1,029 housing opportunities for low-income households.

II.6.4 EASTLAKE II & III AFFORDABLE HOUSING PROGRAM

II.6.4.1 LOW INCOME HOUSING

- Requirements

The EastLake Trails, "Land Swap" parcels, and EastLake III Developments are required to provide a minimum of 10% of the number of permitted dwelling units as affordable housing, of which one-half shall be provided as low income housing and one-half will be provided as moderate income housing

Based on the total number of permitted dwelling units, a total of 396 low and moderate-income housing units are required to be provided within the project, of which 198 will be provided for low-income households, and 198 will be provided for moderate-income households.

- Types of Affordable Housing

The housing policies and programs established in the City of Chula Vista General Plan Housing Element advocate a broad variety and diversity of housing types. The affordable housing obligations of Eastlake Trails, "Land Swap" parcels, and Eastlake III developments will be met through a combination of housing types that may include rental housing, "for-sale" housing, second dwelling units or other forms of housing. In general, low income housing needs will be satisfied through the provision of rental units and "for-sale" housing. Housing opportunities to meet the needs of moderate-income households will be primarily provided by "for-sale" housing.

- Site Selection Criteria

The location of affordable housing developments shall take into consideration proximity and availability of the following:

- a. Existing or proposed public transit facilities, including bus routes along arterial highways, or transportation routes;
- b. Existing or proposed community facilities and services, such as retail, commercial and support services, public facilities and schools; and,
- c. Existing or future employment opportunities.

Every effort will be made to ensure compatibility with adjacent residential units (i.e., densities, design, etc.).

- Design

Affordable housing shall be compatible with the design and use of the market rate units, in terms of appearance, materials, and finish quality. The developer shall have the option of reducing the interior amenities, levels, and square footage of the affordable units.

- Unit Mix By Bedroom Count

The affordable units shall have an overall unit mix by bedroom count which reflects the appropriate community need. Given that 14 percent of the households in Chula Vista (according to the 1990 Census) are large families of five persons or more and a desire on the part of the City to have housing opportunities for these families throughout the City, proposed affordable housing developments shall provide a minimum number of three or more bedrooms. The minimum number of three or more bedroom units shall be based upon the number of large households of five or more persons in Chula Vista using such sources as Census information or other reliable data sources as agreed to by the City. Affordable housing to be sold and occupied by income eligible households (for sale units) shall also provide a minimum of two bedrooms.

Should the developer satisfy the affordable housing obligation through the provision of housing for senior citizens as defined by Section 51.3 of the California Civil Code, the developer does not need to provide three bedroom units. However, the developer may only satisfy such obligation through the provision of housing for senior citizens if the City considers such housing to be a high priority need and it provides advantages as to location, diversity of housing types, and/or affordability levels.

- Affordable Housing Credits For Large Units

Given that 14 percent of the households in Chula Vista, according to the 1990 Census, are large families of five persons or more and a lack of large units to accommodate these households, the city desires to encourage the development of large family units of three or more bedrooms. The City will provide an additional 0.5 unit credit for those three bedroom units created and a 1 unit credit for those four bedroom units.

- Low Income Housing Sites

Three sites have been selected for low income housing units within EastLake II & III (See Exhibit 1).

Site 1. This site is located within the Vistas neighborhood, south of Olympic Parkway in close proximity to the Olympic Training Center. The site is designated

High (18-27 du/ac). The low income units at this site will supplement the on site dorms at the Olympic Training Center.

Site 2. This site is located within the Trails North neighborhood on the south side of Otay Lakes Road in proximity to the future Salt Creek Community Park. The site is designated Medium Residential (6-11 du/ac).

Site 3. This site is located in the "Land Swap" Parcel (R-9) which is designated Medium High (11-18 du/ac) with a density range of 15-25 du/ac and a target of 750 dwelling units. The low income housing units will be integrated into the development of Parcel R-9, which is located on EastLake Parkway, adjacent to the EastLake Activity Corridor.

- Phasing

The low income housing units would be completed in three phases. The Initial Phase consists of 30 units and the Remaining Phases consists of 82 and 86 units for a total of 198 units. Every effort will be made by the Developer to produce additional low income units at the first and second phases if the opportunity to produce such units becomes feasible.

- Implementation Schedule

<p align="center">Low Income Housing EastLake Comprehensive Affordable Housing Program PHASE I</p>	
Timing	Items to be Completed
Prior to approval of the 401st building permit	Submit a SPA application for EastLake III identifying specific low income housing sites consistent with the Affordable Housing Program and provide proof of control of sites for all phases in the form of a trust deed or an option agreement.
Prior to issuance of the 501st building permit	Identify intended subsidies, incentives, and financing mechanisms for all phases to the satisfaction of the Director of Community Development.
Prior to issuance of the 601st building permit	Submit and obtain approval for a marketing plan from the Community Development Department.
Prior to issuance of the 701st building permit	Submit a design development plan to the Planning Department for the construction of Phase I low income housing units (61 units).
Prior to issuance of the 901st building permit	Obtain Design Review approval for the construction of the Phase I low income housing units.

Low Income Housing EastLake Comprehensive Affordable Housing Program PHASE I	
Timing	Items to be Completed
Prior to issuance of the 1,001st building permit for EastLake Trails	Obtain building permits for the construction of the Phase I low income units and identify specific location of low income units within project.
Prior to the issuance of the 1,301st building permit or one year from the date of the issuance of the first low income building permit issuance, whichever occurs first.	Obtain City's final inspection and utilities release for low income units or obtain Director of Community Development approval of up to a maximum of six month extension based upon market pre-sales rate of low income units.
Total Low Income Housing Units, Phase I	60

Low Income Housing EastLake Comprehensive Affordable Housing Program PHASE II	
Timing	Items to be Completed
Prior to approval of the 1,601st building permit	Confirm location of low income housing site for Phase II.
Prior to issuance of the 1,701st building permit	Confirm intended subsidies, incentives, and financing mechanisms for all phases.
Prior to issuance of the 1,801st building permit	Submit and obtain approval for a marketing plan from the Community Development Department.
Prior to issuance of the 1,901st building permit	Submit a design development plan to the Planning Department for the construction of Phase II low income housing units (62 units).
Prior to issuance of the 2,101st building permit	Obtain Design Review approval for the construction of the Phase II low income housing units.
Prior to issuance of the 2,401st building	Obtain building permits for the construction of the Phase II low and moderate income units and identify specific location of low and moderate income units within project(s).
Prior to the issuance of the 2,701st building permit or one year from the date of the building permit issuance, whichever occurs first.	Obtain City's final inspection and utilities release for low income units or obtain Director of Community Development approval of up to a maximum of six month extension based upon pre-sales rate of low income units.
Total Low Income, Phase II	82

**Low Income Housing
EastLake Comprehensive Affordable Housing Program
PHASE III**

Timing	Items to be Completed
Prior to approval of the 2,401st building permit	Confirm location of low income housing site for Phase III.
Prior to issuance of the 2,501st building permit	Confirm intended subsidies, incentives, and financing mechanisms for all phases.
Prior to issuance of the 2,601st building permit	Submit and obtain approval for a marketing plan from the Community Development Department.
Prior to issuance of the 2,701st building permit	Submit a design development plan to the Planning Department for the construction of Phase II low income housing units (60 units).
Prior to issuance of the 3,001st building permit	Obtain Design Review approval for the construction of the Phase II low income housing units (60 units).
Prior to issuance of the 3,201st building	Obtain building permits for the construction of the Phase III low income units and identify specific location of low income units within project.
Prior to the issuance of the 3,501st building permit or one year from the date of the building permit issuance, whichever occurs first.	Obtain City's final inspection and utilities release for low income units or obtain Director of Community Development approval of up to a maximum of six month extension based upon pre-sales rate of low income units.
Total Low Income, Phase III	86

- Contingency Plan

Developer shall diligently pursue completion of the construction of the low-income housing units as per the above implementation schedule. However, if the performance obligations are not achieved as per the implementation schedule, in addition to any and all other rights and remedies the City may have to enforce Developer's affordable housing obligations, the City shall have the right to require that the EastLake Greens surplus low-income units be automatically used to satisfy the low-income housing obligation of EastLake II and III.

II.6.4.2 MODERATE INCOME HOUSING

- Moderate Income Housing Requirements

EastLake II & III includes 3,694 housing units of which five percent (5%), or one hundred ninety-eight (198), must be moderate income housing units. The moderate income housing obligation may be met through a combination of housing types including rental and “for sale” housing.

- Moderate Income Housing Sites

The residential densities of Medium, Medium-High and High have been selected as the sites for moderate income housing units within the EastLake II & III project. The location of these parcels are distributed throughout the project (refer to General Development Plans).

- Phasing

The moderate income housing would be completed in three phases. The Initial Phase consists of 61 units and the Remaining Phases consists of 62 and 60 units.

- Implementation Schedule

Moderate Income Housing EastLake Comprehensive Affordable Housing Program PHASE I	
Timing	Items to be Completed
Prior to issuance of the 1,201st building permit.	Provide proof to the satisfaction of the Community Development Director that 30 Moderate Income housing units have been delivered to Moderate Income family households.
Prior to the issuance of the 1,501st building permit	Provide proof to the satisfaction of the Community Development Director that 31 Moderate Income housing units have been delivered to moderate income households.
Total Moderate Income, Phase I	61
Moderate Income Housing EastLake Comprehensive Affordable Housing Program PHASE II	
Timing	Items to be Completed
Prior to issuance of the 2,401st building	Provide proof to the satisfaction of the Community Development Director that 31 Moderate Income housing units have been delivered to Moderate Income family households.
Prior to the issuance of the 2,701st building permit	Provide proof to the satisfaction of the Community Development Director that 31 Moderate Income housing units have been delivered to moderate income households.
Total Moderate Income, Phase II	62
Moderate Income Housing EastLake Comprehensive Affordable Housing Program PHASE III	
Timing	Items to be Completed
Prior to issuance of the 3,201st building	Provide proof to the satisfaction of the Community Development Director that 30 Moderate Income housing units have been delivered to Moderate Income family households.
Prior to the issuance of the 3,501st building permit or one year from the date of the building permit issuance, whichever occurs first.	Provide proof to the satisfaction of the Community Development Director that 31 Moderate Income housing units have been delivered to moderate income households.
Total Moderate Income, Phase III	60

II.6.4.3 AFFORDABLE HOUSING RESTRICTIONS

- Income Eligibility

To determine the eligibility of a household for the low income housing unit, the household purchasing or renting the affordable unit must qualify as a low income household, as established by and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 and as also published in the California Administrative Code. See Exhibit 2 for the annual income limits as published by the United States Department of Housing and Urban Development (HUD).

- Affordable Monthly Rents

For rental housing, compliance with the affordable housing requirements is determined by verifying that the total rent cost paid by the tenant is considered affordable as defined below.

To determine affordable rent costs, monthly "Affordable Rent" includes all actual or projected monthly payments for the following:¹

- Use and occupancy of a housing unit and the associated land and facilities;
- Any separately charged fees and service charges assessed by the lessor which are required by all tenants but is not to include security deposits;
- A reasonable allowance for utilities (including garbage collection, sewer, water, electricity, gas and other heating, cooking, and refrigeration fuels but not to include telephone service, cable TV, or high speed modem) as defined by the Federal Regulations for the Tenant Based Rental Assistance Program; and,
- Possessory interest taxes or other fees and charges assessed for use of the associated land and facilities by a public or private entity other than the lessor.

Affordable monthly rent is not to exceed the following calculations:

- Very Low Income: 50 percent of the Area Median Income (AMI) for San Diego County, adjusted for household size appropriate for the unit, multiplied by 30 percent and divided by 12.

¹ 25 California Code of Regulations Section 6918

- Low Income: 80 percent of the Area Median Income (AMI) for San Diego County, adjusted for household size appropriate for the unit, multiplied by 30 percent and divided by 12.
- Moderate-income: 120 percent of the Area Median Income (AMI) for San Diego County, adjusted for household size appropriate for the unit, multiplied by 28 but not more than 35 percent and divided by 12.

Should subsidized financing and other incentives from a public agency be proposed and obtained, the affordable monthly rent shall be dictated by such program or granting Agency. If no affordable rent is specified, affordable monthly rents shall be established in accordance with Section 50053 of the California Health and Safety Code.

- Affordable Housing Costs for Owner Occupied Housing

For ownership housing (for sale units), compliance with the affordable housing requirements is determined by verifying that the sales price paid by the buyer equates to a total housing cost that is considered affordable as defined below.

To determine affordable housing costs, monthly "Housing Payments" includes all actual or projected monthly payments for the following:

- Principal and interest on a mortgage loan, including rehabilitation loans, at the time of initial purchase by the home buyer;
- Allowances for property and mortgage insurance;
- Property taxes and assessments; and
- Homeowner association fees.

Affordable monthly housing payments are not to exceed the following calculations:

- Very Low Income: 50 percent of the Area Median Income (AMI) for San Diego County, adjusted for household size appropriate for the unit, multiplied by 30 percent and divided by 12.
- Low Income: 80 percent of the Area Median Income (AMI) for San Diego County, adjusted for household size appropriate for the unit, multiplied by 30 percent and divided by 12.
- Moderate-income: 120 percent of the Area Median Income (AMI) for San Diego County, adjusted for household size appropriate for the unit, multiplied by 28 but not more than 35 percent and divided by 12.

Should subsidized financing and other incentives from a public agency be proposed and obtained, the affordable monthly housing payment shall be dictated by such program or granting Agency. If no affordable monthly housing payment is specified, the affordable monthly housing payment shall be established in accordance with Section 50052.5 of the California Health and Safety Code.

- Underwriting Requirements

To ensure the preservation of affordability of proposed low and moderate-income housing and the financial viability of program participants, the City shall encourage the following policies:

- Fixed rate mortgages only. No adjustable rate mortgages;
- Affordable monthly housing payments not to exceed 33 percent of household income ("Front End Ratio"). Total debt payments not to exceed 45 percent of household income ("Back End Ratio");
- No "teaser" rates; and,
- No non-occupant co-borrowers.

- Resale Provisions of Owner Occupied Housing

In order to ensure the continued affordability of the units, resale of the units must be restricted for the required term of thirty (30) years. After initial sale of the affordable units to a low-income household, all subsequent buyers of such units must also be income eligible and the unit must be sold at an affordable price. A developer may opt to have no income or sales price restriction for subsequent buyers, provided however that restrictions to the satisfaction of the City are in place that would result in the recapture by the City or its designee of a financial interest in the units equal to the amount of subsidy necessary to make the unit affordable to a low income household and a proportionate share of any equity, to be determined and specified within the Affordable Housing Agreement executed for the proposed affordable housing development. Funds recaptured by the City shall be used to provide assistance to other identified affordable housing production or contributions to a special needs housing project or program. To the extent possible, projects using for-sale units to satisfy the obligations of developers under the City's Affordable Housing Program shall be designed to be compatible with conventional mortgage financing programs including secondary market requirements.

- Term of Affordability Restrictions

Should subsidized financing be proposed and obtained, income and rent restrictions for an affordable rental project shall be implemented for the remaining life of the project, which is

presumed to be a minimum of fifty-five (55) years from the date of completion of the final inspection for each structure. In the event that no subsidized financing is obtained, such affordability restrictions shall remain in effect for thirty (30) years from the date of completion of the final inspection for each structure. The term of affordability and resale restrictions for affordable for-sale units is more appropriately described above, "Resale Provisions of Owner Occupied Housing".

II.6.4.3 SUBSIDIES, INCENTIVES AND FINANCING MECHANISMS

The City agrees to use its reasonable best efforts to assist the developer in pursuing the benefit of certain financing mechanisms, subsidies, and other incentives to facilitate the provision of affordable housing for low and moderate income households to the extent such resources and programs for this purpose are available. These mechanisms, subsidies, and incentives, which could reduce the cost of providing affordable housing, include, but are not limited to, local, state and federal subsidies, City density bonuses, planning and design and development techniques and standards, and City fee deferrals or waivers (collectively, the "Cost Reducing Mechanisms").

Potential subsidies, incentives, and financing mechanisms that may be used to facilitate the provision of affordable housing include the following:

- Low Income Housing Tax Credits (LIHTC) - statewide competition;
- Housing Bonds - State;
- Housing Bonds - City;
- Redevelopment Low and Moderate-income Housing fund - Redevelopment Agency;
- HOME - City and County;
- CBDG - City; and
- Other Public Financing - State and Federal.

This list is not intended to limit the use of other subsidies, incentives, or other financing mechanisms that are now available or may become available in the future.

The parties acknowledge that the City is not hereby committing and cannot guarantee the availability of any Cost Reducing Mechanisms to the Developer for EastLake II & III. The City reserves the right to approve or disapprove, in its sole discretion, any developer request for substantial financing.

- Density Bonus

Projects which meet the applicable requirements of State Law (Government Code Section 65915) as a result of the affordable housing units are entitled to a density bonus or other additional incentives in accordance with the provisions of such law.

II.6.4.4 COMPLIANCE REPORTING

All Compliance Reports shall be submitted to the City of Chula Vista Community Development Department and an independent trustee hired by the Developer to monitor the Developer's compliance. The requirements imposed by providers of subsidized financing or other Cost Reducing mechanisms may replace the terms described below if City so approves.

Rental Units' Compliance Packet and Audit

- a. Should a Developer seek approval by the City to credit a tenant toward its low income housing obligation, the Developer must give the City, at a minimum, a compliance packet including the following:

- Supplemental Rental Application - Exhibit 3A
- Semi-Annual Report - Exhibit 4-B, 4-C
- Authorization to Release Information by Purchaser
- Acknowledgment that the Information is for City's Reporting and Administration Use Only

Developer shall not be required to perform any extraordinary investigation or verification regarding such information other than Developer's usual and customary means of income verification. Developer shall retain the Supplemental Rental Application and any supporting documents for a period of at least three (3) years after the applicant ceases to occupy a low income housing unit.

- b. Should a Developer seek approval by the City to credit a dwelling unit towards its moderate income housing obligation, the Developer must give the City, at a minimum, a report verifying compliance with the terms of this document and/or the subsidized financing program:

- Annual Moderate Income Affordable Housing Monitoring Report (Exhibit 5).

Developer shall retain any supporting documents for a period of at least three (3) years after the initial occupancy of the unit to verify the accuracy of the monitoring report.

Developer shall not be required to perform any investigation or verification of income for purposes of qualifying the household for moderate income eligibility.

- c. A household occupying a designated low income unit whose annual income increases subsequent to occupying said unit (referred to as "over income household") and thus exceeds the 80% of area median income, need not vacate the apartment. However, at the Developer's discretion, this over income household's monthly rent (including utilities) may be increased to the market rate. Regardless of a rent increase, the Developer can no longer credit this over income household toward its 5% low income requirement and is obligated to replace this unit by renting the next comparable unit to a low income household as per the paragraph below. Thus, the Developer shall ensure appropriate language is included in the lease requiring tenant to provide income information biannually and acknowledge that should its income increase, the household may be subject to a higher rent. Adjusted monthly incomes can be calculated using rules according to the HUD Handbook 4350/3 Occupancy Requirements for HUD Subsidized Multifamily Housing.

The location of the designated units may change over time (to be referred to as "floating units") as long as the total number of affordable units remains constant and that substituted units are comparable in terms of size, features, and the number of bedrooms, as determined by the Director of the Community Development Department. If the over income household does not vacate the unit, the Developer must assure that when the next comparable apartment becomes vacant, the newly available unit must be rented to a low and/or moderate income household, as a floating unit, to replace the previously designated unit no longer housing a low income household. If the over income household chooses to leave, the vacated unit retains its low income unit designation.

If a residential apartment complex is designated as 100% low income, the over income household will not be required to vacate, if it pays the increased rent, and the unit will not be replaced with a "floating unit". When the over income household vacates the unit, the unit retains its low income unit designation.

- d. If the city determines that an outside audit is necessary to verify the accuracy of the submitted rent roll, then on a basis no more frequently than once a year, it may require such an audit at the expense of Developer. In such event, within ten (10) days after delivery of the City's written request for such outside audit, Developer shall deliver to the City the names of three (3) certified public accountants doing business in the Metropolitan San Diego area. City will promptly deliver to Developer notice of approval by the City of one or more of said names.

The audit shall be completed by an approved certified public accountant, at Developer's sole cost and expense, within sixty (60) days after the delivery to Developer of City's approval. The certified public accountant shall promptly deliver a copy of the written audit to the City. Such audit shall be an audit of Developer's records, including the information supplied to Developer by the low income tenants. The auditor shall not be required to verify the accuracy of the information provided by the low income tenants.

- Home Ownership Units' Compliance Packet

Should Developer seek approval by the City to credit a home purchase toward its low income housing obligation, the Developer must give the City at a minimum a compliance packet including the following:

- Copy of Settlement Sheet
- Final 1003, Uniform Underwriting Transmittal Summary Settlement Statement, or 1008 and Good Faith Estimate
- Verification of low income buyer completed by developer under or on behalf of the City

Developer shall not be required to perform any extraordinary investigation or verification regarding such information other than Developer's usual and customary means of income verification.

Developer may contact the City's Community Development Housing Division's Housing Coordinator to confirm the City's acceptance of the applicant as credit toward Developer's low income housing unit obligation. Developer may contact the City prior to the sale of the unit for consultation purposes if desired; however, approval will be given in writing only after required documents are reviewed and accepted by the City.

Should Developer seek approval by the City to credit a home purchase toward its moderate income housing obligation, the Developer must give the City at a minimum a compliance packet including the following:

- Homebuyer's Qualifying Form (Exhibit 6).

Developer shall retain any supporting documents, such as copies of settlement sheets, the Final 1003 or other appropriate documents, for a period of at least three (3) years after the initial sale of the unit to verify the accuracy of the monitoring report.

Developer shall not be required to perform any investigation or verification of income for purposes of qualifying the household for moderate income eligibility.

II.6.4.5. AFFIRMATIVE MARKETING PLAN

Developer shall provide a marketing plan acceptable to the City, in the City's reasonable discretion, for proactively marketing the low and moderate income housing units to low and moderate income tenants and purchasers, respectively, at the time specified in the Implementation Schedules in Sections A5 and B4 above. Developer shall use good faith and reasonable best efforts to market the low and moderate income housing units to low and moderate income tenants and purchasers according to the affirmative marketing plan. See Exhibit 7, attached hereto, which sets forth the plan requirements.

The City will in its discretion use good faith and reasonable best efforts to assist Developer in marketing low and moderate income housing units to low and moderate income tenants and purchasers, obtaining the services of a third-party organization in connection with such marketing efforts, processing the applications of prospective tenants and purchasers of low and moderate income housing units, and complying with the reporting requirements as required herein.

II.6.4.6 IMPLEMENTING AGREEMENTS AND CONDITIONS

This AHP may be implemented through various mechanisms including development agreements, tentative map conditions, and specific housing project agreements which may impose additional terms and conditions consistent herewith.

EXHIBIT 2

CITY OF CHULA VISTA INCOME AND MAXIMUM HOUSING EXPENSES FOR LOWER AND MODERATE-INCOME HOUSEHOLDS

(Based upon 2002 HUD Median Income Data Effective December 10, 2001)

HOUSEHOLD SIZE	30% VERY LOW INCOME			40% VERY LOW INCOME			50% VERY LOW INCOME		
	ANNUAL INCOME	MONTHLY INCOME	25%	ANNUAL INCOME	MONTHLY INCOME	25%	ANNUAL INCOME	MONTHLY INCOME	25%
ONE	\$12,600	\$1,050	\$263	\$16,850	\$1,404	\$351	\$21,050	\$1,754	\$439
TWO	\$14,400	\$1,200	\$300	\$19,250	\$1,604	\$401	\$24,050	\$2,004	\$501
THREE	\$16,250	\$1,354	\$339	\$21,650	\$1,804	\$451	\$27,050	\$2,254	\$564
FOUR	\$18,050	\$1,504	\$376	\$24,050	\$2,004	\$501	\$30,050	\$2,504	\$626
FIVE	\$19,450	\$1,621	\$405	\$25,950	\$2,163	\$541	\$32,450	\$2,704	\$678
SIX	\$20,900	\$1,742	\$435	\$27,900	\$2,325	\$581	\$34,850	\$2,904	\$726
SEVEN	\$22,350	\$1,863	\$466	\$29,800	\$2,483	\$621	\$37,250	\$3,104	\$776
EIGHT	\$23,800	\$1,983	\$496	\$31,750	\$2,646	\$661	\$39,650	\$3,304	\$826

HOUSEHOLD SIZE	60% LOW INCOME			70% LOW INCOME			80% LOW INCOME		
	ANNUAL INCOME	MONTHLY INCOME	25%	ANNUAL INCOME	MONTHLY INCOME	25%	ANNUAL INCOME	MONTHLY INCOME	25%
ONE	\$25,250	\$2,104	\$526	\$29,450	\$2,454	\$614	\$33,650	\$2,804	\$701
TWO	\$28,850	\$2,404	\$601	\$33,650	\$2,804	\$701	\$38,450	\$3,204	\$801
THREE	\$32,450	\$2,704	\$676	\$37,850	\$3,154	\$789	\$43,250	\$3,604	\$901
FOUR	\$36,050	\$3,004	\$751	\$42,050	\$3,504	\$876	\$48,100	\$4,008	\$1,002
FIVE	\$38,950	\$3,246	\$811	\$45,450	\$3,788	\$947	\$51,950	\$4,329	\$1,082
SIX	\$41,850	\$3,488	\$872	\$48,800	\$4,067	\$1,017	\$55,750	\$4,646	\$1,161
SEVEN	\$44,700	\$3,725	\$931	\$52,150	\$4,346	\$1,086	\$59,600	\$4,967	\$1,242
EIGHT	\$47,600	\$3,967	\$992	\$55,500	\$4,625	\$1,156	\$63,450	\$5,288	\$1,322

HOUSEHOLD SIZE	90% MODERATE INCOME			100% MODERATE INCOME			110% MODERATE INCOME			120% MODERATE INCOME		
	ANNUAL INCOME	MONTHLY INCOME	25%	ANNUAL INCOME	MONTHLY INCOME	25%	ANNUAL INCOME	MONTHLY INCOME	25%	ANNUAL INCOME	MONTHLY INCOME	25%
ONE	\$37,850	\$3,154	\$789	\$39,850	\$3,321	\$830	\$46,300	\$3,859	\$965	\$50,500	\$4,208	\$1,052
TWO	\$43,250	\$3,604	\$901	\$45,500	\$3,792	\$948	\$52,900	\$4,408	\$1,102	\$57,700	\$4,808	\$1,202
THREE	\$48,700	\$4,058	\$1,015	\$51,200	\$4,267	\$1,067	\$59,500	\$4,958	\$1,240	\$64,900	\$5,408	\$1,352
FOUR	\$54,100	\$4,508	\$1,127	\$56,900	\$4,742	\$1,185	\$66,100	\$5,508	\$1,377	\$72,120	\$6,010	\$1,503
FIVE	\$58,400	\$4,867	\$1,217	\$61,450	\$5,121	\$1,280	\$71,400	\$5,950	\$1,488	\$77,900	\$6,492	\$1,623
SIX	\$62,750	\$5,229	\$1,307	\$66,000	\$5,500	\$1,375	\$76,700	\$6,392	\$1,598	\$83,550	\$6,971	\$1,743
SEVEN	\$67,050	\$5,588	\$1,397	\$70,550	\$5,879	\$1,470	\$82,000	\$6,833	\$1,708	\$89,450	\$7,454	\$1,864
EIGHT	\$71,400	\$5,950	\$1,488	\$75,100	\$6,258	\$1,565	\$87,250	\$7,271	\$1,818	\$95,200	\$7,933	\$1,983

1 Annual income = Gross annual income adjusted by household size

2 Monthly income = The annual income adjusted by household size divided by 12 months.

3 25% = The monthly amount of household income used for total housing expenses (i.e., Monthly income times .25)

4 30% = The monthly amount of household income used for total housing expenses (i.e., Monthly income times .30)

Specific program requirements may vary. Please contact the City of Chula Vista Community Development Department Housing Division for specific program information.

EXHIBIT 3A

SUPPLEMENTAL RENTAL APPLICATION

The rental unit for which you are applying has received governmental assistance under programs to encourage more affordable housing. As a result, the unit carries a rent level restriction and is restricted to occupancy by low and moderate income households.

The information required on this form is necessary to determine your income eligibility to occupy the unit. You must report all household income. Information provided will be confidential and not subject to public disclosure pursuant to State Government Code Section 6254(h).

-
1. Rental Unit Address _____
 2. Applicant Name _____
 3. Other Household Members _____

4. Total Current Annual Household Income from all Sources:
TOTAL \$ _____

Detail:

Household Member

Income

Source

5. Total Gross Annual Household Income shown on most recent Federal Tax return (attach copies of most recent Federal Tax returns for all household members receiving income. Include other verification of income not appearing on tax forms.)
TOTAL \$ _____

APPLICANT'S STATEMENT

I certify, under penalty of perjury, that the foregoing information is true and correct to the best of my knowledge. I understand that any misrepresentation of the information contained herein may be cause for eviction.

Signature _____
Applicant

Date _____

EXHIBIT 3B

OWNER'S STATEMENT

Based on the foregoing information, I certify, under penalty of perjury, that the applicant is eligible to occupy this restricted affordable unit. Eligibility is based on finding that the applicant household's current annual income is \$ _____ and does not exceed the current maximum household income of \$ _____ allowed under the terms of a Development Agreement with the City of Chula Vista regarding this residential development.

Name _____

Title _____

Signature _____ Date _____

EXHIBIT 4-A

Owner's Certification

I am the owner or owner's representative for an affordable housing development in the City of Chula Vista, which is bound by a Housing Agreement with the City.

I certify under penalty or perjury that the attached rent roll for affordable units at my project is true and correct to the best of my knowledge and complies with the terms and conditions stipulated in the Affordable Housing Agreement, or any agreement that implements the same, with the City of Chula Vista.

Name _____

Title _____

Signature _____ Date _____



SEMI-ANNUAL AFFORDABLE HOUSING MONITORING REPORT

EXHIBIT 4-B

Project Name: _____

Project Address: _____

Contact Person: _____ Title: _____

Telephone No.: _____ Fax No.: _____

As of (Date): ☐ June 30, _____ ☐ December 31, _____

Reviewed By: _____ Date: _____

Bdrm Size	Restricted - Affordable	Non-Restricted		TOTAL
	No. of Units	No. of Units	Avg Monthly Rent	
Studio				
1 Bedroom				
2 Bedrooms				
3+Bedrooms				
TOTAL				

	Unit No.	Bdrm Size	Monthly Rent \$	Name of Household	No. of Occupants	Total Monthly Household Income \$	Percent Median Income	Seniors – One Occupant 60 Yrs+ (Y/N)	Date of Last Income Re-Examination	FOR CITY USE ONLY
										Unit in Compliance (Y/N)
	Example	2	\$695	Doe, John	2	\$2,800	%	N/A	1/99	
1.			\$			\$	%			
2.			\$			\$	%			
3.			\$			\$	%			



SEMI-ANNUAL AFFORDABLE HOUSING MONITORING REPORT

Project Name: _____

As of (Date): ☐ June 30, _____ ☐ December 31, _____

	Unit No.	Bdrm Size	Monthly Rent \$	Name of Household	No. of Occupants	Total Monthly Household Income \$	Percent Median Income	Seniors – One Occupant 60 Yrs+ (Y/N)	Date of Last Income Re-Examination	FOR CITY USE ONLY
										Unit in Compliance (Y/N)
4.			\$			\$	%			
5.			\$			\$	%			
6.			\$			\$	%			
7.			\$			\$	%			
8.			\$			\$	%			
9.			\$			\$	%			
10.			\$			\$	%			
11.			\$			\$	%			
12.			\$			\$	%			
13.			\$			\$	%			
14.			\$			\$	%			
15.			\$			\$	%			
16.			\$			\$	%			
17.			\$			\$	%			
18.			\$			\$	%			
19.			\$			\$	%			
20.			\$			\$	%			

Deadline for Submittal: January 15th and July 15th of each year.



SEMI-ANNUAL AFFORDABLE HOUSING MONITORING REPORT

EXHIBIT 4-C

Narrative Summary for Transitional Housing Programs

Project/Program Description:

Notable Objectives:

Analysis of the Completion of Objectives:

Reasons for Changes/Delays in Completion of Objectives:

Procedures/Actions to Increase/Decrease Effectiveness of the Program:

Other Comments:

Exhibit 5



ANNUAL MODERATE INCOME AFFORDABLE HOUSING MONITORING REPORT

Project Name (include Master Plan Community if applicable): _____

Project Address: _____

Contact Person: _____ Title: _____

Telephone No.: _____ Fax No.: _____

As of (Date): ☐ June 30, _____ ☐ December 31, _____

Reviewed By: _____ Date: _____

Bdrm Size	Affordable-Moderate Income		Non-Restricted/Market Rate		TOTAL UNITS
	No. of Units	Monthly Rent	No. of Units	Avg Monthly Rent	
Studio					
1 Bedroom					
2 Bedrooms					
3 Bedrooms					
4 Bedrooms					
TOTAL					

Deadline for Submittal: 15 days after year end

Exhibit 5



ANNUAL MODERATE INCOME AFFORDABLE HOUSING MONITORING REPORT

Owner's Certification

I am the owner or owner's representative for an affordable housing development in the City of Chula Vista, which is bound by a Housing Agreement with the City.

I certify under penalty or perjury that the attached rent roll for affordable units at my project is true and correct to the best of my knowledge and complies with the terms and conditions stipulated in the Affordable Housing Agreement, or any agreement that implements the same, with the City of Chula Vista.

Name _____

Title _____

Signature _____ Date _____

Deadline for Submittal: 15 days after year end

EXHIBIT 6



HOMEBUYER'S QUALIFYING FORM

BUYER'S INFORMATION

Buyer's Name: _____

Current Address: _____

Current Household Income: \$ _____ Household Size: _____

NEW HOME INFORMATION

Master Plan Community: _____

Name of Residential Development: _____

Tract: _____ Lot No.: _____

Lot Address: _____

No. of Bedrooms: _____

Purchase Price²: _____

Monthly PITI Payment: \$ _____ % of Income: _____ %

Year of Purchase: _____

Sales Representative: _____

Signature of Homebuyer

Date

² The sales price of any unit being sold in partial satisfaction of Developer's obligation to provide moderate income housing shall not exceed the affordable housing costs for owner occupied housing as defined within the Affordable Housing Program for the master plan community.

EXHIBIT 6



HOMEBUYER'S QUALIFYING FORM

Authorizing Release to City

This information is for the City's Reporting and Administrative Use Only.

EXHIBIT 7

City of Chula Vista Equal Housing Opportunity Requirements For The Low/Moderate Income Housing Affirmative Marketing Plan

Every Developer complying with the City of Chula Vista's Housing Element's "Affordable Housing Plan" shall submit to the City an Affirmative Marketing Plan for City Review and Approval which details actions the Developer will take to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, sex, sexual orientation, marital status, family status, color, religion, national origin, ancestry, or handicap, age or any other category which may be defined by law now or in the future.

- I. The City of Chula Vista Affirmative Marketing Requirements are as follows. Please note, however, the Plan is not limited to these Requirements.
 - (i) Detail methods for informing the public, buyers and potential tenants about Federal fair housing laws and the City of Chula Vista's affirmative marketing policy;
 - (ii) Publicize to minority persons the availability of housing opportunities through the type of media customarily utilized by the applicant, including minority outlets which are available in the housing market area;
 - (iii) Identify by language and by number any significant number of persons in a community within the housing market area who have limited fluency in the English language;
 - (iv) Where there is a significant number of person in a community within the housing market area who have limited fluency in the English language, the Plan shall:
 - (a) Identify the media most likely to reach such persons.
 - (b) Advertise for the housing development in the native language of such persons, in addition to the English language, and
 - (c) Describe the provisions which the housing sponsor will make for handling inquiries by and negotiations with such persons for the rental or sale of units in the development.
 - (v) Detail procedures to be used by the Developer and/or property manager to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing without special outreach (e.g., use of community organizations, places of worship, employment centers, fair housing groups, or housing counseling agencies).

II. Records must be kept describing actions taken by the Developer and/or property managers to affirmatively market units and records to assess the results of these actions:

(i) The records shall include a copy or transcript of the advertisement copy, the identity of the media in which it was disseminated, and the date(s) of each appearance. The housing sponsor shall also keep a record of the dates and places of any meetings or communications between the housing sponsor and any individual or group referred to the housing sponsor by the agency or organizations representing any of the groups within the community acting on behalf of any classification of minority persons described above. Such records shall be retained for a period of five years;

(ii) A description of how the Developer and/or property managers will annually assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met; and

(iii) The Developer/property manager shall furnish all information and reports required hereunder and will permit access to its books, records and accounts by the City of Chula Vista, HUD or its agent, or other authorized Federal and State officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

III. The City of Chula Vista may from time to time review the Plan and the Developer's and property manager's activities pursuant to the Plan and may require amendments to the Plan if it does not fully comply with the requirements of this section.

IV. An affirmative marketing program shall be in effect for the duration of the Qualified Term defined in the Affordable Housing Agreement.

V. If a source of funding used in a low/moderate income housing development, such as federal or state funds, has affirmative marketing requirements more restrictive than the City of Chula Vista's affirmative marketing requirements, then the more restrictive applies.

**Air Quality
Improvement Plan**

AIR QUALITY IMPROVEMENT PLANS

SECTIONAL PLANNING AREA (SPA) PLAN

EASTLAKE III - OLYMPIC POINTE CONDOMINIUMS

ADDENDUM APRIL 2008

Adopted April 8, 2008
by Resolution No. 2008-095
Revised January 11, 2011
by Resolution No. 2011-002
Revised September 27, 2011
by Resolution No. 2011-190

Project Sponsor
Integral Communities
2235 Encinitas Blvd., Suite 216
Encinitas, CA 92024
Contact: Lance Waite
(760) 944-7511

Prepared by:
Bud Gray & Associates
2452 Arrowhead Court
Chula Vista, CA 91915
Contact: Bud Gray
(619) 656-801

Edited by:
KTGY Group, Inc.
17992 Mitchell South
Irvine, CA 92614
Contact: Damian Taitano
(949) 851-2133

Edited by:
Fuscoe Engineering, Inc.
6390 Greenwich Drive
San Diego, CA 92122
Contact: Robert A. Chase, P.E.
(858) 554-1500

EASTLAKE III - OLYMPIC POINTE CONDOMINIUMS SECTIONAL PLANNING AREA (SPA) PLAN

Project Description

The project site is located at the eastern terminus of Olympic Parkway and is indicated as parcel VR-13 on the EastLake III Site Utilization Plan (Exhibit AQ-1). It is located on approximately 19.6 acres overlooking the Lower Otay Reservoir. Southwest of the site is the Olympic Training Center. To the north and west are multi-family residential and commercial uses. Immediately to the east is, along Weuste Road is the Chula Vista Greenbelt Regional Trail and the reservoir. A short walk to the north is the EastLake III neighborhood park.

The project is intended to be a multi-family residential project featuring outstanding quality and design amenities. It will consist of a series of two and three story buildings. In addition to the residential buildings, a community building (approx. 1,000 square feet) will be provided.

Site Utilization Plan

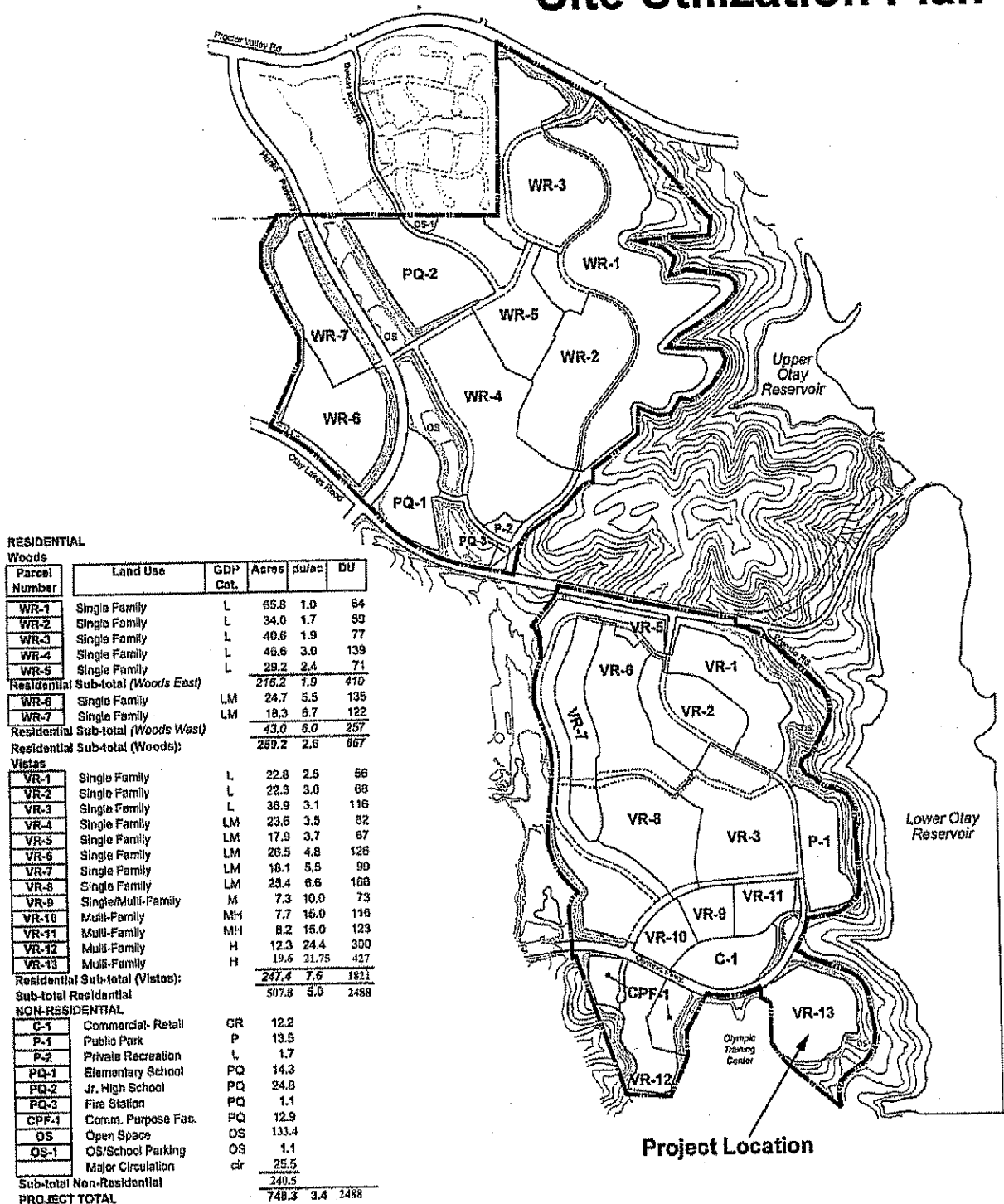


Exhibit AQ-1

Impact Reduction Measures:

This section of the AQIP amendment demonstrates how the Olympic Pointe Condominiums addresses key design issues, at the SPA Plan level, which are directed toward reducing air pollution impacts. The design issues addressed below would be incorporated as conditions of approval for the Project:

a. **Street/Circulation Design with Pedestrian/Bicycle Orientation**

The Project does not alter the original air quality improvement plan implementation measures, such as: trail system, pedestrian connection among centers, bicycle lanes and other components to promote non-vehicular transportation. Instead, the Project would be required to incorporate pedestrian connections to the existing pedestrian/bicycle route connections to promote the use of non-motorized modes of transportations.

b. **Housing Density Near Transit**

The project provides and allows for additional housing within close proximity of area bus routes, allowing for a reduction of vehicle miles traveled for those able to work and live in the East Lake community.

c. **Land Use Mix/Proximity**

The Project introduces a full range of amenities to serve the needs of project residents. This approach will result in less trips traveling, west to seek recreational opportunities.

d. **Site Design with Transit Orientation**

The proposed and permitted future buildings will increase the concentration of housing in the immediate area which may encourage and support the use of transit services, thereby reducing total vehicle miles traveled.

e. **Bicycle Route Integration with Transit & Employment**

Bike lanes are designated on Olympic Parkway within the project area. On other internal streets, bicyclists will be readily able to share the road with motor vehicles due to the low volumes and limited speeds allowed. Project bicycle routes connect to regional systems as indicated in the Circulation Element of the General Plan and provide access to all regional destinations including the park-and-ride facility, and nearby commercial centers and residential areas. The project will include connecting sidewalks to the established walks, and paths and transit facilities.

f. **Energy Efficient Landscaping**

The project will include landscaping of the parking lots, perimeter grounds, as well as near the proposed buildings to provide shade and reduce heat gain and energy usage for both vehicles and buildings.

g. Alternative Fuels/Telecenter

The project is provided with high-speed telecommunications services to facilitate both on-site and off-site communications allowing for reduced commutation. The project is proposed to include internet cable service. These facilities will be maintained with the latest industry standards for communications.

h. Overall Sustainability of Project

The project fits into the overall community plan and achieves the objectives of providing a job-housing balance whereby the high-quality rental apartments will enable employees to live and work within the EastLake community, thereby improving overall efficiency, community, quality of life and sustainability.

i. Compliance with Green Building and Energy Efficiency Ordinances

The project was previously evaluated under the 2002 AQIP Guidelines and, pursuant to those guidelines, opted to comply with the GreenStar program. The developer is now required to comply with the Green Building and Energy Efficiency Ordinances, CVMC 15.12 and 15.26.030 respectively, which require developers/applicants to implement sustainable design features and improve building energy conservation 15% to 20% above 2008 State Energy Code requirements.

AIR QUALITY IMPROVEMENT PLAN

EASTLAKE III

Adopted August 13, 2002

by Resolution No. 2002-306

Project Sponsor
The EastLake Company
900 Lane Avenue, Suite 100
Chula Vista, CA 91914
Contact: Guy Asaro
(619) 421-0127

SECTION II.7 AIR QUALITY IMPROVEMENT PLAN

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Criterion Planners, INDEX Pilot Test: SPA Air Quality Improvement Plans, June 2002.	

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EASTLAKE III

SECTION II.7 AIR QUALITY IMPROVEMENT PLAN

II.7.1 Introduction

Chula Vista's Growth Management Ordinance requires all major development projects (50 dwelling units or greater) to prepare an Air Quality Improvement Plan (AQIP). On November 14, 2000, the City Council adopted the Carbon Dioxide (CO₂) Reduction Plan, that included twenty action measures intended to promote clean fuel vehicles, alternatives to driving, transportation efficient land use planning and energy efficient building construction. Twelve of the action measures directly relate to land use planning and air quality improvements. The AQIP includes implementation of applicable measures identified in the CO₂ Reduction Plan.

The City is developing guidelines for the preparation and implementation of required AQIP's. A pilot study was initiated to identify and evaluate the relative effectiveness and costs of applying various design and energy conservation features in new development projects. One of the goals of the study is to identify implementation measures that reduce air pollutants and CO₂ emissions and exceed existing mandates wherever possible including the Title 24 Energy Code. The INDEX computer model, developed by Criterion Planners/Engineers, was used in the pilot study to analyze the project.

The twelve land use measures identified in the CO₂ Reduction Plan were translated into action measures for the pilot study as follows:

Land-Use

1. Compact development – minimize sprawl.
2. Density – intensity of land use.
3. Diversity – mix and variety of uses.
4. Orientation toward pedestrian and bicycles.
5. Orientation toward transit.

Buildings

6. General energy design and equipment – improve efficiency.
7. Solar Use – solar thermal applications and power generation.
8. Vegetation – uptakes air pollutants and greenhouse gases.

Transportation

9. Pedestrian Facilities – system design and improvements.
10. Bicycle facilities – system design and improvements.
11. Transit facilities – system design and improvements.

Infrastructure

12. Water Use – land planning that reduces water consumption.

The *INDEX Pilot Test: SPA Air Quality Improvement Plans* report prepared by Criterion Planners/Engineers identifies various options available to improve energy efficiency and air quality. See Appendix.

II.7.2 Purpose

The purpose of the EastLake III Air Quality Improvement Plan (AQIP) is to reduce emissions and energy use and to fulfill the requirements of the Growth Management Ordinance. The AQIP addresses design methods to reduce vehicle trips, maintain or improve traffic flow, and reduce vehicle miles traveled. It also identifies a means of reducing emissions (direct or indirect) from the project, and defines a program to monitor compliance.

II.7.3 Regulatory Framework

Federal, state and local agencies share responsibilities for developing and implementing air quality regulations and improvement plans. The federal and state agencies have established air quality standards and requirements for compliance. The local agencies focus on adopting strategies and regulations to achieve compliance with the state and federal mandates. Specific air quality analysis for the project is included in the Environmental Impact Report prepared for the EastLake III SPA Plan. As mentioned earlier, the City of Chula Vista's Growth Management Ordinance requires preparation and implementation of an Air Quality Improvement Plan (AQIP) for those projects with 50 dwelling units or greater.

II.7.3 Project Description

The Project encompasses approximately 793 acres located within the City of Chula Vista, and is bordered by the Rolling Hills Ranch development to the north, and the planned EastLake Business Center II, EastLake Trails subdivision, and Otay Ranch Village Eleven to the west. The Upper and Lower Otay Reservoirs form the eastern boundary of the Project. The planning area consists of two subdivisions identified in the EastLake III General Development Plan as EastLake Woods and EastLake Vistas. The Project area also includes the property located directly adjacent to the southern boundary of the Olympic Training Center, and is referred to as the Panhandle Site, which is designated as part of a future University of California campus. Specific land use has not been determined for the Panhandle Site and, therefore, this area was not included in this study. A separate AQIP will be prepared for the site once more specific proposed land uses are determined. Proposed land uses for the planning area are summarized in Figure 1.

As was indicated by the initial INDEX scores, the design of the EastLake III SPA contains energy-efficient features that improve air quality and reduce CO2 emissions beyond levels that are found in traditional suburban communities.

II.7.4 Air Quality Indicators

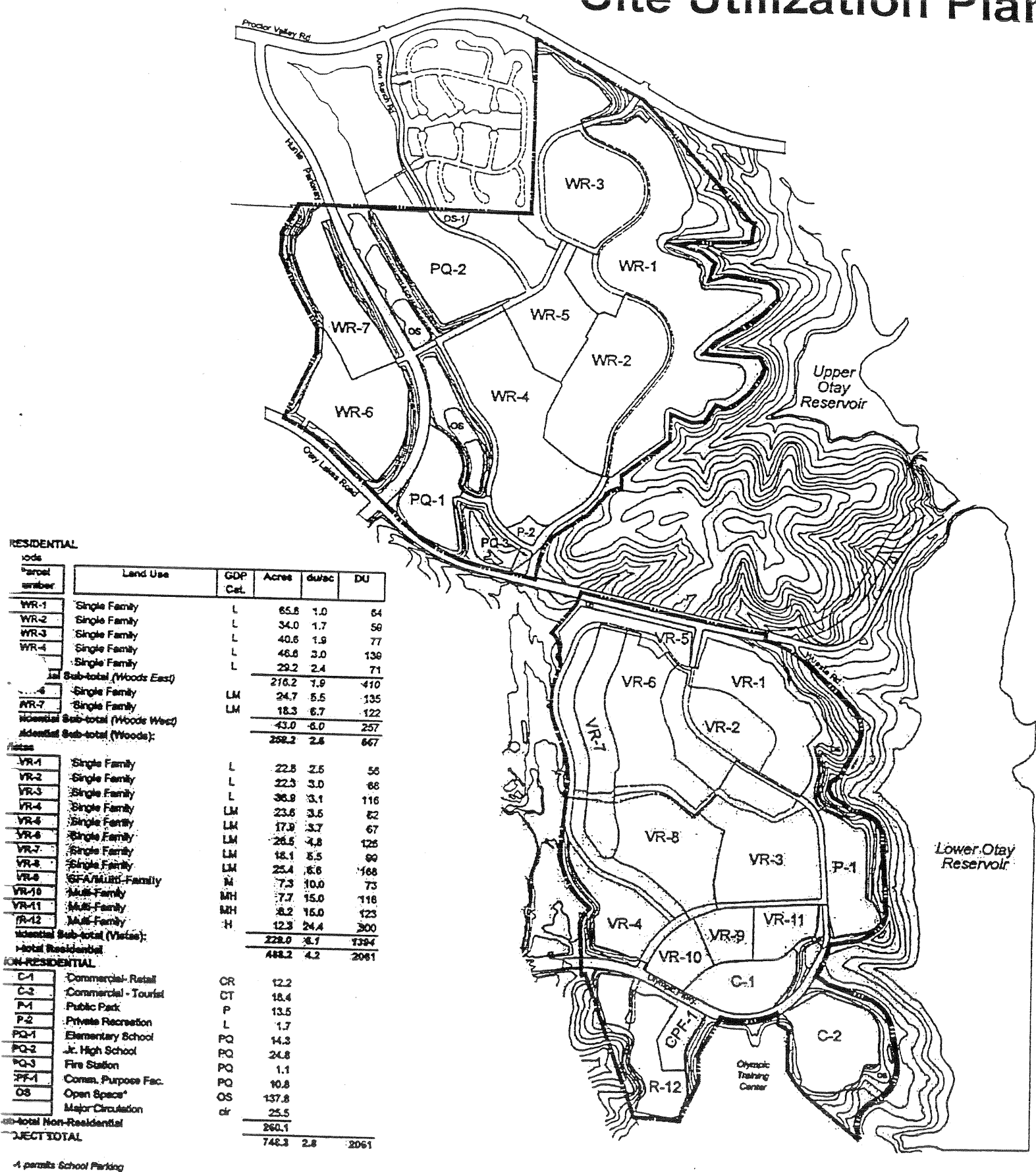
As described in the attached report, twelve action measures identified in the Carbon Dioxide (CO2) Reduction Plan were used to select 52 key indicators. The indicators gauge the key characteristics of the twelve action measures and focus on the goals of the pilot study. The 52 indicators were selected to address the energy efficiency and emission reduction aspects of the proposed land development.

II.7.5 Project Evaluation

Baseline Values

The first step in INDEX modeling was the calculation of the baseline values. These are "pre-efficiency" indicator scores representative of land development practices in the 1970s and 80s. These scores form a baseline that the EastLake III proposal was judged against.

Site Utilization Plan



As shown in Table 1, baseline values were computed by measuring the three pre-efficiency neighborhoods and then calculating a weighted average score for each indicator. Exceptions to the weighted average occur with six indicators as noted in Table 1, where anomalous conditions in the neighborhoods produced scores that could not be considered typical. In these instances, City staff adjusted the values to more common or practical levels (see Table 1 footnotes). To assist in interpreting the baseline scores, Table 1 also includes comments on the scores' relationship to common principles of energy-efficient land-use planning.

Original EastLake III Proposal

Having set baseline values, the next step was INDEX modeling of the original EastLake III proposal to obtain its indicator scores. Those EastLake III scores were then compared to the baseline values as shown in Table 2.

The principal finding from the first round of INDEX modeling is that EastLake III is about 5% more energy efficient than the baseline.

Notable characteristics of EastLake III and differences between its scores and the baseline are summarized below by element category:

- *Land-use.* EastLake III enjoys favorable employment density and high neighborhood completeness, but unfavorable scores in residential density and some circulation features, e.g. walk distance to retail and transit-oriented residential density. In general, EastLake III achieves its energy and emissions advantage over the baseline in this element primarily through higher total population densities, which reduces space conditioning, travel, and infrastructure energy use.
- *Transportation.* There was little change between EastLake III scores and baseline values in this element, except for significant increases in pedestrian network coverage.
- *Infrastructure.* EastLake III was notably higher than the baseline due to its larger lots whose greater amount of landscaping is estimated to consume more water.

Table 1
BASELINE INDICATOR SCORES

			Pre-Efficiency Neighborhoods					
Element	Indicator	Units	Terra Nova	College Estates I	College Estates II	Weighted By	Weighted Average	Comments
Demographics	1. Population	residents	3482	3249	1839	NA	---	
	2. Households	dwelling units	1159	1083	613	NA	---	
	3. Employment	employees	40	245	40	NA	---	
	4. Land Area	acres	199	242	141	NA	---	
Land-Use	5. Development Footprint	acres/resident	0.06	0.07	0.06	residents	0.064	Typical scores for suburban residential.
	6. Street Network Extent	street mi./capita	2.43	2.76	2.66	residents	2.604	Typical scores for suburban residential.
	7. Amenity Proximity (retail)	ft. to closest amenity	2363	3491	4240	dwelling units	3193.902	Distances over 2,640 ft. are pedestrian unfriendly.
	8. Single-Family Dwelling Density	DU/acre	8.22	5.51	6.94	dwelling units	6.917	Typical results for suburban residential.
	9. Multi-Family Dwelling Density	DU/acre	16.66	NA	NA	staff adjusted (1)	16.000	Terra Nova score is favorable; lack of MF in CE 1 & 2 unfairly drags weighted average too low.
	10. Average Residential Density	DU/acre	9.98	5.51	6.94	dwelling units	7.632	Comments above will ripple here.
	11. Employment Density	employees/acre	2.51	12.01	4.08	staff adjusted (2)	12.000	TN & CE2 scores are understandable because of schools only; CE1 is at low end of transit feasibility.

Table 1 Continued

			Pre-Efficiency Neighborhoods					
Element	Indicator	Units	Terra Nova	College Estates I	College Estates II	Weighted By	Weighted Average	Comments
Land-Use Continued	12. Commercial Building Density	avg. floor area ratio	NA	0.08	NA	staff adjusted (3)	0.350	Baseline projects not sufficiently commercial to calculate reasonable baseline of 0.25-0.50; adjusted to conform with applicable development standard.
	13. Use Mix	0 to 1 index	0.33	0.27	0.36	land area (acres)	0.312	Typical suburban residential scores; generally 0.4 or higher denotes high mix areas.
	14. Use Balance	0 to 1 index	0.52	0.34	0.34	land area (acres)	0.402	Typical suburban residential scores; generally 0.75 or higher is desired.
	15. Neighborhood Completeness	% of key uses	40	40	40	residents	40.000	Coincidental identical scores, all favorable; generally 50 or higher is desired.
	16. Block Size	acres	23.48	9.08	10.75	land area (acres)	14.407	Blocks larger than 4-5 acres are pedestrian unfriendly.
	17. Pedestrian Orientation of Buildings	avg. setback ft.	NA	103	NA	feet of setback	103.000	Pedestrian friendly setbacks are 0-30 ft.
	18. Internal Connectivity for Pedestrians	0 to 1 index	0.73	0.81	0.75	no. of ped. intersections	0.764	All favorable scores; generally 0.75 or higher is desired.
	19. Internal Connectivity for Vehicles	0 to 1 index	0.77	0.79	0.66	no. of street intersections	0.742	All favorable except CE2; generally 0.75 is desired.
	20. External Access for Pedestrians	ft. between access points	1138	804	1983	study perimeter (ft.)	1298.648	Scores below 1,200 ft. are favorable.

Table 1 Continued

			Pre-Efficiency Neighborhoods					
Element	Indicator	Units	Terra Nova	College Estates I	College Estates II	Weighted By	Weighted Average	Comments
Land-Use Continued	21. External Access for Vehicles	ft. between access points	1934	2011	2644	study perimeter (ft.)	2184.007	Scores below 1,200 ft. are favorable.
	22. Street Network Density	centerline miles/sq. mi.	15.37	19.71	18.83	land area (acres)	18.013	Typical scores for suburban residential.
	23. Housing Proximity to Transit	ft. to closest stop	1439	1667	861	dwelling units	1401.385	Scores below 1,200 ft. are favorable.
	24. Employment Proximity to Transit	ft. to closest stop	2819	445	984	employees	803.523	Scores below 1,200 ft. are favorable.
	25. Transit-Oriented Residential Density	DU/acre w/i 1/4 mi. stop	11	5	7	staff adjusted (4)	10.000	TN score is favorable, others are not; minimum should be 10.
	26. Transit-Oriented Employment Density	emps./acre w/i 1/4 mi. stop	3	12	4	employees w/in 1/4 mi.	11.252	CE1 score is minimum favorable.
Buildings	27. Title 24 Exceedence	% structures	0	0	0	structures	0	
	28. Building Efficiency Program Participation	% structures	0	0	0	structures	0	
	29. Solar Thermal Applications	% structures	0	0	0	structures	0	
	30. Solar Power Applications	% structures	0	0	0	structures	0	
	31. Vegetative CO2 Uptake	lbs./yr.	0	0	0	land area (acres)	0.000	
Transportation	32. Pedestrian Network Coverage	ped. routes/streets ratio	1.41	1.19	1.31	total street miles	1.284	All favorable scores (anything above 1.0)
	33. Pedestrian Crossing Distance	avg. curb to curb ft.	45	41	39	no. of street intersections	41.726	Pedestrian friendly crossing distances are 30 ft. or less.
	34. Pedestrian Route Directness	walk ft./straightline ft. ratio	1.62	1.76	1.45	dwelling units	1.637	Scores above 1.5 are unfavorable.

Table 1 Continued

			Pre-Efficiency Neighborhoods					
Element	Indicator	Units	Terra Nova	College Estates I	College Estates II	Weighted By	Weighted Average	Comments
Transportation <i>Continued</i>	35. Bicycle Network Coverage	% of streets bikeable	100	100	100	staff adjusted (5)	90.000	
	36. Transit Service Coverage	stops/sq. mi.	8	11	23	land area (acres)	12.873	10-20 is favorable range.
	37. Daily Auto Driving	veh.-mi./day/capita	22	22	22	residents (6)	22.000	Typical suburban value; generally 20 or less is desirable.
Infrastructure	38. Residential Water Use	gal./day/capita	128	171	153	residents (7)	149.667	
Environment	39. Park Space Supply	acres/1000 residents	11.20	3.62	7.89	staff adjusted (8)	3.000	TN score is abnormally high.
	40. Park Proximity	ft. to closest park	2090	2732	1266	dwelling units	2156.611	Distances above 1,200 ft. are unfavorable for pedestrians.
	41. Open Space Supply	% of land area	19	2	6	land area (acres)	8.779	TN score again unusually high; however, weighted average may be reasonable.
	42. Open Space Contiguity	0 to 1 index	0.72	0.53	0.58	open space acres	0.679	Scores above 0.5 are favorable.
	43. Housing Energy Use	MMBtu/yr./capita	28	28	36	residents	31.084	Typical scores.
	44. Household Transportation Energy Use	MMBtu/yr./capita	47	47	47	residents	46.800	Typical suburban score; generally 40 or less is desirable.
	45. Nonresidential Building Energy Use	MMBtu/yr./emp.	N/A	18	N/A	employees	18.026	CE1 score representative of strip malls; generally 12 or less is desirable.
	46. Total Energy Use	MMBtu/yr./person	74	75	81	residents & employees	75.561	Typical suburban residential scores for San Diego region.
	47. NOx Emissions	lbs./yr./person	33.01	33.45	33.82	residents & employees	33.349	Derived from energy scores.
	48. SOx Emissions	lbs./yr./person	0.72	0.83	0.92	residents & employees	0.805	Derived from energy scores.

Table 1 Continued

			Pre-Efficiency Neighborhoods					
Element	Indicator	Units	Terra Nova	College Estates I	College Estates II	Weighted By	Weighted Average	Comments
Environment Continued	49. HC Emissions	lbs./yr./person	58.43	58.44	58.44	residents & employees	58.435	Derived from energy scores.
	50. CO Emissions	lbs./yr./person	452.06	452.13	452.23	residents & employees	452.133	Derived from energy scores.
	51. PM Emissions	lbs./yr./person	0.13	0.14	0.16	residents & employees	0.140	Derived from energy scores.
	52. CO2 Emissions	lbs./yr./person	10238	10566	10846	residents & employees	10492.572	Derived from energy scores.

1. Terra Nova score was consistent with citywide average east of I-805; rounded to 16.0.
2. Terra Nova and College Estates 2 scores are for school employment only and do not include any retail or commercial; College Estates 1 score is typical for suburban strip commercial employment; rounded to 12.0.
3. Adjusted value is based on allowable development standard.
4. College Estates 1 and 2 scores are beneath transit minimum; adjusted value is typical minimum for feasible transit service.
5. All three neighborhood scores are considered unusually high; adjusted value reflects likelihood of less-than-full coverage.
6. Estimated by Criterion and Fehr & Peers based on SANDAG regional data.
7. Water use estimated by INDEX and confirmed with City data.
8. Value adjusted to be consistent with adopted City standard.

Table 2
ORIGINAL SPA PLAN INDICATOR SCORES

Element	Indicator	Units	Baseline	EastLake III
Demographics	1. Population	residents	--	6173
	2. Households	dwelling units	--	2,061
	3. Employment	employees	--	792
	4. Land Area	acres	--	744
Land-Use	5. Development Footprint	acres/capita	0.064	0.071
	6. Street Network Extent	street mi./capita	2.604	1.38
	7. Amenity Proximity (retail)	ft. to closest amenity	3193.902	6,224
	8. Single-Family Dwelling Density *	DU/acre	6.917	4.50
	9. Multi-Family Dwelling Density *	DU/acre	16.000	17.25
	10. Average Residential Density	DU/acre	7.632	5.77
	11. Employment Density *	employees/acre	12.000	11.25
	12. Commercial Building Density	avg. floor area ratio	0.350 (a)	0.35 (a)
	13. Use Mix *	0 to 1 index	0.312	0.32
	14. Use Balance *	0 to 1 index	0.402	0.44
	15. Neighborhood Completeness *	% of key uses	40.000	80
	16. Block Size	acres	14.407	18.43
	17. Pedestrian Orientation of Buildings	avg. setback ft.	103.000	15.000 (a)
	18. Internal Connectivity for Pedestrians	0 to 1 index	0.764	0.920
	19. Internal Connectivity for Vehicles *	0 to 1 index	0.742	0.740
	20. External Access for Pedestrians	ft. between access points	1298.648	2595
	21. External Access for Vehicles	ft. between access points	2184.007	4672
	22. Street Network Density *	centerline miles/sq. mi.	18.013	15.59
	23. Housing Proximity to Transit	ft. to closest stop	1401.385	1327
	24. Employment Proximity to Transit	ft. to closest stop	803.523	1077
	25. Transit-Oriented Residential Density	DU/acre w/l 1/4 mi. stop	10.000	6.05
	26. Transit-Oriented Employment Density	emps./acre w/l 1/4 mi. stop	11.252	10
Buildings	27. Title 24 Exceedence	% structures	0	0
	28. Building Efficiency Program Participation	% structures	0	0
	29. Solar Thermal Applications	% structures	0	0
	30. Solar Power Applications	% structures	0	0
	31. Vegetative CO2 Uptake	lbs./yr.	0.000	169,950

Table 2 Continued

Element	Indicator	Units	Baseline	EastLake III
Transportation	32. Pedestrian Network Coverage *	ped. routes/streets ratio	1.284	1.82
	33. Pedestrian Crossing Distance	avg. curb to curb ft.	41.726	52
	34. Pedestrian Route Directness *	walk ft./straight-line ft. ratio	1.637	1.610
	35. Bicycle Network Coverage	% of streets bikeable	90.000	97
	36. Transit Service Coverage	stops/sq. mi.	12.873	18
	37. Daily Auto Driving	veh-mi./day/capita	22.000 (b)	23.000 (b)
Infrastructure	38. Residential Water Use	gal./day/capita	149.667	193
Environment	39. Park Space Supply	acres/1000 residents	3.000	3.08
	40. Park Proximity	ft. to closest park	2156.611	1804
	41. Open Space Supply	% of land area	8.779	16
	42. Open Space Connectivity	0 to 1 index	0.679	0.67
	43. Housing Energy Use	MMBtu/yr./capita	31.084	28.890
	44. Household Transportation Energy Use	MMBtu/yr./capita	46.800 (c)	46.801 (c)
	45. Nonresidential Building Energy Use	MMBtu/yr./emp.	18.026	42.719
	46. Total Energy Use	MMBtu/yr./person (capita + emp)	75.561	71.942
	47. NOx Emissions	lbs./yr./person (capita + emp)	33.349	33.353
	48. SOx Emissions	lbs./yr./person (capita + emp)	0.805	0.806
	49. HC Emissions	lbs./yr./person (capita + emp)	58.435	58.435
	50. CO Emissions	lbs./yr./person (capita + emp)	452.133	452.134
	51. PM Emissions	lbs./yr./person (capita + emp)	0.140	0.140
	52. CO2 Emissions	lbs./yr./person (capita + emp)	10492.572	10,470.883

Notes:

- a) Values are assumed based on applicable development regulations.
- b) Typical suburban value; generally 20 or less is desirable.
- c) Typical suburban value; generally 40 or less desirable.

* "Top ten" indicators of urban design-based energy efficiency.

- *Environment.* This element contains the energy and emission scores that summarize the combined effects of land-use, buildings, transportation, and infrastructure. Of the ten energy and emission indicators, the principal indicator is total energy use per year by residents and employees combined. EastLake III exceeded the baseline in efficiency terms, largely due to higher population density. The project's favorable energy scores are mirrored by similar reductions in pollutant and greenhouse gas emissions.

Modified EastLake III Proposal

The next step in the pilot test was an invitation for developers to submit modified SPA plans that achieved even greater energy efficiency and air quality than the original proposals. SPA developers had the following options available for modifying their plans in ways that further increased energy efficiency and improved air quality:

- *Land-use density.* This is the intensity of use on properties measured in dwelling units per acre for residential uses and employees per acre for non-residential uses. Extensive research nationally and internationally has conclusively demonstrated that the strongest urban planning technique for increasing energy efficiency is increasing land-use density. Density increases produce significant energy savings in building space conditioning, travel, and infrastructure operations. Although it may have been too late for major density changes in the three test SPAs, this option should be examined in future SPA processes because of its sizable benefits.
- *Land-use diversity.* This is the mix of residential and non-residential uses in an area. Research has also demonstrated that another important technique for increasing energy efficiency is increasing the diversity of land-uses. Greater diversity produces energy savings in the same space conditioning, travel, and infrastructure end-uses as density does through better use of system capacities. Again, it may have been too late to consider diversity changes in the three test SPAs, but the option warrants future consideration in other SPAs.
- *Multimodal circulation design.* Another strong technique for saving energy in land development is designing an efficient and convenient multimodal circulation system. Such a system is composed of features that allow walking, biking, and transit use in addition to auto driving. Important components include relatively dense street networks, completeness of sidewalks, and relatively direct routes from common origins to popular destinations. As with density and diversity, it may have been too late for significant circulation changes in the test SPAs.

- *Building construction standards.* SPA developers may opt for a commitment to reduce building energy use by exceeding Title 24. Developers could propose the amount of Title 24 exceedence per building type and the number of buildings that will participate in such exceedence. A developer could exercise this option by committing to a utility or comparable energy efficiency program that offers beyond-code services, or by simply committing that merchant builders will achieve the stipulated exceedence by means of their own choosing.
- *Solar systems.* SPA developers could opt to reduce grid-supplied energy by installing solar thermal or PV systems in buildings. Developers could propose the type and capacity of systems to be used, and the number of structures that will receive such systems.
- *Tree planting.* This category allowed SPA developers to offer additional tree planting that will offset greenhouse gas emissions. Selection of this option will not improve a SPA's energy efficiency or air pollutant emissions, but will help mitigate climate change.

After consideration of these options, EastLake III voluntarily selected the following action measures to improve its energy efficiency and air quality: 72 single-family homes will achieve a 15% Title 24 exceedence using ComfortWise, SDG&E California Energy Star Program or equivalent program; 255 single-family homes will achieve a 15% Title 24 exceedence using the SDG&E California Energy Star Program; and an additional 855 trees will be planted.

With these modifications, EastLake III was modeled again to recalculate indicator scores and identify final energy savings and air quality improvements. These results are shown in Table 3 indicating an approximate 1% energy use reduction for EastLake III. This is in addition to the 4.8% energy use reduction between the original EastLake III plan and the baseline.

Table 3
MODIFIED SPA PLAN INDICATOR SCORES

Element	Indicator	Units	Baseline	Original EastLake III	Modified EastLake III
Demographics	1. Population	residents	--	6173	6173
	2. Households	dwelling units	--	2061	2061
	3. Employment	employees	--	792	792
	4. Land Area	acres	--	744	744
Land-Use	5. Development Footprint	acres/resident	0.064	0.071	0.071
	6. Street Network Extent	street mi./capita	2.604	1.38	1.38
	7. Amenity Proximity (retail)	ft. to closest amenity	3193.902	6224	6224
	8. Single-Family Dwelling Density	DU/acre	6.917	4.50	4.50
	9. Multi-Family Dwelling Density	DU/acre	16.000	17.25	17.25
	10. Average Residential Density	DU/acre	7.632	5.77	5.77
	11. Employment Density	emps./acre	12.000	11.25	11.25
	12. Commercial Building Density	avg. floor area ratio	0.350	0.35	0.35
	13. Use Mix	0 to 1 index	0.312	0.32	0.32
	14. Use Balance	0 to 1 index	0.402	0.44	0.44
	15. Neighborhood Completeness	% of key uses	40.000	80	80
	16. Block Size	acres	14.407	18.43	18.43
	17. Pedestrian Orientation of Buildings	avg. setback ft.	103.000	15.000	15.000
	18. Internal Connectivity for Pedestrians	0 to 1 index	0.764	0.920	0.920
	19. Internal Connectivity for Vehicles	0 to 1 index	0.742	0.740	0.740
	20. External Access for Pedestrians	ft. between points	1298.648	2595	2595
	21. External Access for Vehicles	ft. between points	2184.007	4672	4672
	22. Street Network Density	miles/sq. mi.	18.013	15.59	15.59
	23. Housing Proximity to Transit	ft. to closest stop	1401.385	1327	1327
	24. Employment Proximity to Transit	ft. to closest stop	803.523	1077	1077
	25. Transit-Oriented Residential Density	DU/acre w/i 1/4 mi.	10.000	6.05	6.05
	26. Transit-Oriented Employment Density	emps./acre w/i 1/4 mi.	11.252	10	10

Table 3 Continued

Element	Indicator	Units	Baseline	Original EastLake III	Modified EastLake III
Buildings	27. Title 24 Exceedence	% structures	0	0	23
	28. Building Efficiency Program Participation	% structures	0	0	0
	29. Solar Thermal Applications	% structures	0	0	0
	30. Solar Power Applications	% structures	0	0	0
	31. Vegetative CO2 Uptake	lbs./yr.	0.000	169950	212700
Transportation	32. Pedestrian Network Coverage	ped. routes/streets ratio	1.284	1.82	1.82
	33. Pedestrian Crossing Distance	ft. curb to curb	41.726	52	52
	34. Pedestrian Route Directness	walk ft./straightline ft. ratio	1.637	1.610	1.610
	35. Bicycle Network Coverage	% of streets w/route	90.000	97	97
	36. Transit Service Coverage	stops/sq. mi.	12.873	18	18
	37. Daily Auto Driving	veh.-mi./day/capita	22.000	23.000	23.000
Infrastructure	38. Residential Water Use	gal./day/capita	149.667	193	193
Environment	39. Park Space Supply	acres/1000 residents	3.000	3.08	3.08
	40. Park Proximity	ft. to closest park	2156.611	1804	1804
	41. Open Space Supply	% of land area	8.779	16	16
	42. Open Space Contiguity	0 to 1 index	0.679	0.67	0.67
	43. Housing Energy Use	MMBtu/yr./capita	31.084	28.890	28.040
	44. Household Transportation Energy Use	MMBtu/yr./capita	46.800	46.801	46.801
	45. Nonresidential Building Energy Use	MMBtu/yr./emp	18.026	42.719	42.719
	46. Total Energy Use	MMBtu/yr./person	75.561	71.942	71.189
	47. NOx Emissions	lbs./yr./person	33.349	33.353	33.272
	48. SOx Emissions	lbs./yr./person	0.805	0.806	0.786
	49. HC Emissions	lbs./yr./person	58.435	58.435	58.435
	50. CO Emissions	lbs./yr./person	452.133	452.134	452.116
	51. PM Emissions	lbs./yr./person	0.140	0.140	0.140
	52. CO2 Emissions	lbs./yr./person	10492.572	10470.883	10403.764

Final Results

Based on the modified EastLake III plan, the final results for energy savings, air quality improvements, and greenhouse gas reductions are as follows:

	Baseline	EastLake III
Total energy use (MMBtu/yr/capita)	75.56	71.19
% energy reduction	---	5.8
Total air pollutant emissions (lbs/yr/capita)	544.85	544.75
% air pollutant emissions reduction	---	0.01
Total greenhouse gas emissions (lbs/yr/capita)	10493	10404
% greenhouse gas emissions reduction	---	0.85

II.7.6 Implementation Measures

The following Air Quality Measures will be implemented in EastLake III:

1. Building Energy Efficiency Program & Title 24 Exceedence:

EastLake Woods – 72 single-family homes will participate in ComfortWise, SDG&E California Energy Star Program or equivalent program resulting in approximately 15% Title 24 exceedence.

EastLake Woods – 255 single-family homes will participate in the SDG&E California Energy Star Program resulting in approximately 15% Title 24 exceedence.

Participation in building efficiency programs will be confirmed and coordinated with the Building Division and the GreenStar Program Coordinator.

To further promote the AQIP, the Master Developers will encourage all merchant builders to participate in a building efficiency program.

2. Additional Tree Planting to offset Greenhouse Gas Emissions.

In addition to the 3,399 street trees originally proposed, another 855 trees will be planted within the slopes and other open space areas as follows:

EastLake Woods – 262 trees

EastLake Woods West – 233 trees

EastLake Vistas – 360 trees

The Master Developer shall obtain certification by a Registered Landscape Architect that additional trees have been included on the Master Landscape Plan for EastLake III.

3. Comply with Section 4.8.5 Mitigation Measures, in EastLake III Woods and Vistas Replanning Program Final Subsequent Environmental Impact Report #01-01. June 2001.

II.7.7 References

EastLake III Woods and Vistas Replanning Program Final Subsequent Environmental Impact Report (EIR #01-01); June 2001, prepared by RECON.

II.7.8 Appendix

Criterion Planners/Engineers, INDEX Pilot Test: SPA Air Quality Improvement Plans, June 2002.

Final Report

**INDEX PILOT TEST:
SPA AIR QUALITY
IMPROVEMENT PLANS**

June 2002

Prepared by the
**CITY OF CHULA VISTA CALIFORNIA
DEPARTMENT OF PLANNING & BUILDING**
and



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EXECUTIVE SUMMARY

A pilot test has been conducted of an innovative technique for preparing Sectional Planning Area SPA Plan air quality improvement plans as required by the City's growth management ordinance. In the pilot test, three SPA plans were compared to older "baseline" neighborhoods to gauge the SPAs' relative energy efficiency and air quality characteristics. The baseline neighborhoods were selected to reflect land development practices prior to any special consideration of energy efficiency. The objective was to determine how much energy is being saved by current SPA design practices in comparison to the older baseline neighborhoods and in turn, how much lower the SPAs' air pollutant emissions are in comparison to the baseline. The test SPAs were compared to the baseline twice: first, as originally submitted to the City; and second, as voluntarily modified to further improve energy efficiency and air quality.

Baseline Neighborhoods

To establish a baseline of energy efficiency, three neighborhoods constructed in the 1970s and 80s were modeled: Terra Nova, College Estates I, and College Estates II. When combined on a weighted average basis, these neighborhoods have a total baseline energy use of 76 million Btu/yr/capita.

Original SPA Proposals

The three test SPAs were modeled as originally submitted to the City and found to be notably more energy efficient than the baseline. Their total energy use and comparison to the baseline value are as follows:

<u>SPA</u>	<u>MMBtu/Yr/Capita</u>	<u>% Change From Baseline</u>
OR Village Six	69.05	-8.6
OR Village Eleven	67.39	-10.8
EastLake III	71.94	-4.8

A majority of the SPA energy savings come from residential densities that are higher than the baseline neighborhoods. Higher densities reduce space conditioning energy use due to more common walls and ceilings that reduce energy losses from the buildings. Higher densities also encourage travel energy savings through greater walking, biking, and transit use.

Modified SPA Proposals

The next step in the pilot test was an invitation to the SPA developers to modify their plans to achieve even greater energy efficiency and air quality improvements. Because the three test SPAs were at an advanced stage of their approval process, it was not feasible to make major changes in their land-use and circulation designs. This left the following three action measures as the developers' principal choices if additional energy efficiencies were to be achieved:

- *Building Construction Standards.* SPA developers could opt for a commitment to reduce building energy use by exceeding California Code of Regulations Title 24, Part 6. Developers could propose the amount of Title 24 exceedence per building type and the number of buildings that will participate in such exceedence.
- *Solar Systems.* SPA developers could opt to reduce grid-supplied energy by installing solar thermal or PV systems and buildings. Developers could propose the type and capacity to be used, and the number of structures that will receive such systems.
- *Tree Planting.* This measure allowed SPA developers to commit to additional tree planting that will offset greenhouse gas emissions. Selection of this option will not improve a SPA's energy efficiency or air pollutant emissions, but will help mitigate climate change.

After considering these options, the SPA developers voluntarily elected to add the following action measure commitments:

- *EastLake III.* 72 single-family homes will achieve a 15% Title 24 exceedence through the ComfortWise, SDG&E California Energy Star Program or equivalent program; 255 single-family homes will achieve a 15% Title 24 exceedence through the SDG&E California Energy Star Program; and an additional 855 trees will be planted.
- *Otay Ranch Village Six.* 482 single-family homes will achieve a 10% Title 24 exceedence through energy-efficient building design and construction techniques to be selected by home designers/builders; and 792 additional trees will be planted.
- *Otay Ranch Village Eleven.* No additional action measures were selected by this developer.

The addition of these measures reduced Village Six total energy use to 68.25 million Btu/yr/capita or approximately a 1% reduction from the original SPA proposal; and EastLake III dropped to 71.19 million Btu/yr/capita or approximately a 1% reduction from its original proposal. Also, the additional tree planting in Village Six and EastLake III resulted in beneficial CO2 uptake increases of 22% and 25%, respectively.

Final Results

Based on the modified SPA plans, the pilot test's final results for energy savings, air quality improvements, and greenhouse gas reductions are as follows:

	Baseline	Village Six	Village Eleven	EastLake III
Total energy use (MMBtu/yr/capita)	75.56	68.25	67.39	71.19
% energy reduction	---	9.70	10.80	5.80
Total air pollutant emissions (lbs/yr/capita)	544.85	543.68	543.59	544.75
% air pollutant emissions reduction	---	0.21	0.23	0.01
Total greenhouse gas emissions (lbs/yr/capita)	10,493.00	9,873.00	9,833.00	10,404.00
% greenhouse emissions reduction	---	5.90	6.29	0.85

1. OVERVIEW

The City of Chula Vista is experiencing rapid growth, particularly in the eastern territories. The City's adopted Growth Management Ordinance requires that all major development projects (50 dwelling units or greater) prepare an Air Quality Improvement Plan (AQIP). There have been no formal, adopted guidelines to-date, and developers have prepared the required AQIPs based largely on State and Federal mandates. The City Council recently adopted the Carbon Dioxide (CO₂) Reduction Plan which provides for further consideration of land-use and energy efficient measures in new development to reduce CO₂ emissions, energy consumption and air pollution. It is now the expectation of the City Council that the required AQIP will include implementation of applicable measures identified in the CO₂ Reduction Plan. As a result, the City is undertaking an effort to prepare and adopt formalized guidelines for the preparation and implementation of required AQIPs.

The City contracted with Criterion Planners/Engineers to use the INDEX model to analyze the relative effectiveness and costs of applying various design and energy conservation features in new development projects. One of the goals is to exceed existing mandates wherever possible such as the Title 24 Energy Code, and reduce air pollutants and CO₂ emissions. The INDEX model can be used as a tool to assist in the efficient design of master planned communities.

There are three major SPA Plans (EastLake III, Otay Ranch Village Six and Village Eleven) under preparation. The developers of these projects participated in the INDEX pilot study to assess the benefits of specific project design features and energy conservation measures. By doing so the developers satisfy the AQIP requirement for these SPA Plans and the City can obtain the necessary data for developing future AQIP guidelines and amendments to the Growth Management Ordinance.

The SPA Plan project analysis occurred in two stages. The first stage evaluated the SPA Plans as proposed, assessing the benefits of the project's design and other features in comparison to the baseline project by means of the computer model. The model analyzed and quantified emissions reductions and energy savings for the individual SPA projects.

Stage two involved a comparative assessment of making project design amendments and adding construction-level features identified by Criterion's evaluation to further air quality improvements, CO₂ reduction and energy conservation. The model was re-run using the selected design amendments and construction level features.

2. INDEX MODELING SYSTEM

2.1 Introduction

INDEX is a GIS-based planning support system that uses indicators to measure the attributes and performance of community plans. For each community where it is applied, INDEX is customized to address issues of interest or high priority. This is accomplished with the selection of indicators that measure conditions related specifically to those issues. The objective is to support decision-making by using indicators to benchmark existing conditions, evaluate alternative courses of action, select goals, and monitor change over time.

In Chula Vista, INDEX is being focused on the related issues of energy efficiency, climate change, and air quality. The City has improvement goals in each of these areas and is interested in helping achieve them when large parts of the community are first planned for development. For this reason, the sectional planning area (SPA) process was selected as an appropriate application opportunity for INDEX. The City's growth management ordinance requires air quality improvement plans (AQIPs) as part of the SPA process, and INDEX was seen as an AQIP tool for quantifying the emission characteristics of SPA plans.

The application of INDEX was conducted as a pilot test under a U.S. Environmental Protection Agency grant to the City for climate change activities. The pilot test included the following major steps:

- *Selection of action measures.* A menu of action measures for SPAs was taken from the City's CO₂ Reduction Plan. Twelve measures were selected from the CO₂ Plan's action categories of land-use, transportation, and buildings.
- *Selection of indicators.* Indicators were configured to quantify key characteristics of the twelve action measures. A total of 52 indicators were selected and programmed in INDEX.
- *Establishment of baselines.* Calculating SPA air quality, CO₂ emissions, and energy efficiencies required that baselines be established for the SPAs to be measured against. These baselines were set for each indicator using three older, existing neighborhoods that were developed without special considerations.

- *Scoring of SPA plans.* A test sample of three SPA plans were selected for two rounds of indicator scoring. First, the SPA plans were scored as originally submitted by their developers. Second, the plans were voluntarily modified by the developers to increase their efficiencies and then rescored.
- *Incorporation of results into AQIPs.* The energy, air quality, and climate change improvements measured between the baselines and the modified SPA plans were translated into AQIPs for the SPAs.

2.2 Action Measures

The first step in customizing INDEX for Chula Vista was selection of action measures that would be available to SPA developers. As part of the City's CO₂ Reduction Plan preparation, several hundred measures were analyzed extensively. From that universe of measures, the most appropriate ones for Chula Vista were prioritized according to local feasibility and included as action measures in the final Plan. From this group of action measures, the following twelve were selected for the INDEX pilot test:

Land-Use

1. *Compact development.* This is concerned with land and natural resource conservation generally by minimizing sprawl. Compact development saves energy and reduces emissions by reducing travel and infrastructure-related energy consumption.
2. *Density.* This is the intensity of land-use as measured by the density of structures and persons. Higher densities reduce travel and infrastructure-related energy use and emissions, and also reduce building energy demand as a consequence of more common-wall construction.
3. *Diversity.* This measure is concerned with the mix and variety of land-uses that constitute "complete" neighborhoods. Greater diversity or "completeness" in an area reduces travel-related energy consumption and emissions.
4. *Orientation toward pedestrian and bicycles.* This measure is focused on land planning that facilitates pedestrian and bicycle travel, both of which offer energy and emission savings over motor vehicles.

5. *Orientation toward transit.* This measure addresses land development design that facilitates transit travel, which can be highly energy-efficient with sufficient ridership.

Buildings

6. *General energy design and equipment.* This measure encompasses building design, materials, and equipment that improve efficiency generally.
7. *Solar use.* This includes solar thermal applications such as domestic hot water heating and pool heating, and solar power generation using photovoltaic (PV) technology.
8. *Vegetation.* This measure recognizes the use of vegetation that cools ambient air temperatures, reduces building energy use for cooling, and uptakes air pollutants and greenhouse gases.

Transportation

9. *Pedestrian facilities.* This measure addresses transportation system design and improvements specifically for walking.
10. *Bicycle facilities.* This measure focuses on transportation system design and improvements for bicycle travel.
11. *Transit facilities.* This measure includes transportation system design and improvements dedicated to transit service.

Infrastructure

12. *Water use.* This measure is concerned with land planning that reduces water consumption. Less water consumption translates into reduced energy use for water distribution.

The characteristics of these measures are further summarized in Table 1 according to type of energy savings, general cost-effectiveness, technological maturity, durability, support for business and job creation, and notable non-energy community benefits. The Table 1 assessment is a qualitative characterization of the measures based on Criterion's experience and professional judgment, including preparation of the 1994 Regional Energy Plan for SANDAG. Terms used in Table 1 are defined as follows:

- *Type of energy savings.* These are the end-use or supply sectors affected by a given action measure.
- *Near-term and long-term competitiveness.* This represents generalized cost-effectiveness within 3-5 years for near-term measures, and 5-10 years for long-term measures.
- *Stability.* This refers to potential volatility in a measure's ongoing operating and maintenance costs.
- *Technological maturity.* This is the degree of proven commercial reliability in a measure.
- *Durability.* This characterizes the relative length of a measure's useful life, which is the length of time it fulfills its intended functions. In the case of land-use measures, useful life is the length of time that the built feature exists after construction, e.g. an area's density would exist for the life of the neighborhood's buildings. Most land-use measures have high durability because they exist for several decades, e.g. 60-100 years.
- *Support for regional jobs.* This notes those measures whose implementation would create jobs in the region.
- *Non-energy community benefits.* These measures have notable non-energy benefits, such as transportation measures that reduce traffic congestion and pollutant emissions while also savings energy.
- *High and moderate ratings.* Implementation cost, technological maturity, and durability are rated with "high" and "moderate" terms that represent qualitative judgment based on resource evaluations in the San Diego Regional Energy Plan and current technical literature. It is worth noting that all action measures are rated favorably under all criteria.

Table 1
ACTION MEASURE CHARACTERISTICS

Action Measures	Type of Energy Savings				Implementation Cost			Technological Maturity	Durability	Support for Regional Jobs	Non-Energy Community Benefits
					Competitiveness		Stability				
	Buildings	Transportation	Municipal Infrastructure	Energy Supply Grid	Near Term	Long Term					
Compact development		✓	✓	✓	High	High	High	NA	High		✓
Land-use density	✓	✓	✓	✓	High	High	High	NA	High		✓
Land-use diversity		✓	✓	✓	High	High	High	NA	High		✓
Land-use orientation toward pedestrian/bicycles		✓			High	High	High	NA	High		✓
Land-use orientation toward transit		✓			High	High	High	NA	High		✓
General building energy design/equipment	✓			✓	High	High	High	High	High	✓	✓
Solar use	✓			✓	Moderate	High	High	High	High	✓	
Vegetation use	✓				Moderate	High	High	NA	High	✓	✓
Pedestrian facilities		✓			High	High	High	NA	High	✓	✓
Bicycle facilities		✓			High	High	High	NA	High	✓	✓
Transit facilities		✓			High	High	High	NA	High	✓	✓
Water conservation			✓		High	High	High	NA	High	✓	✓

All of the measures in Table 1 have been feasibly implemented to varying degrees in projects throughout the San Diego region over the past 5-10 years. In fact, most of the land-use and transportation measures have gained acceptance as standard features in regional land development. The same is true for water conservation measures.

Of the 12 action measures available to SPA developers, the building construction and solar measures are notable for two reasons:

- They are the only measures whose implementation will be passed from the SPA developers onto merchant builders.
- They are the only measures that have notable economic sensitivities.

Therefore, any decision to choose these measures will be based on their economic and financial implications for developers and builders, and to some degree the positive marketing implications of having "environment-friendly" features in a project. Key variables on the economic side of this equation include:

- *Timing of efficiency investment.* Because energy economics are constantly changing, the feasibility of a particular investment will be affected by the timing of that investment. For SPA developers choosing building or solar measures, the actual capital outlay by builders for the measures will not occur until some undefined point in the future.
- *Cost of energy.* The basic hurdle for any efficiency measure is to produce energy savings at a cost beneath current energy prices. For example, any measure displacing electricity in Chula Vista today should be feasible if the cost of conserved energy is roughly 7¢/kWh or less. However, recent events have shown how volatile energy prices can be and any investment decision has to take such uncertainty into consideration.
- *Applicable incentives.* At any given point in time there are various government and utility financial incentives available for efficiency measures. However, the scope, amount, and eligibility requirements of these incentives change periodically and need to be monitored along with energy prices.

- *Investment criteria.* Each developer and builder will have their own set of criteria for determining whether an investment is financially acceptable. Factors such as interest rates, required return on investment, and possible cost-sharing will vary among developers and builders.

Considerations on the intangible marketing side of the equation include:

- *Public perception of energy and environmental issues.* Public opinion research shows consistent and growing support for energy efficiency. To the extent that a land development is perceived as energy conscious, its public reputation in the marketplace should be enhanced accordingly.
- *Ability to distinguish a product in the competitive market.* Recent experience has also shown that land developments incorporating environment-friendly features are able to successfully distinguish themselves among competing products in the marketplace, and achieve faster sales at premium prices in the process.

Because of the variability in all of these factors, both economic and intangible, it is not possible to specify with certainty which building construction and/or solar measures will always be feasible. However, there is ample evidence that developers and builders are finding such measures increasingly feasible given the growing amount of investment in the measures. The latest energy crisis in California has only accelerated this trend.

Building Measures

This elective action category gave SPA developers two options for reducing energy use in buildings that will ultimately be constructed in the SPAs:

- *Title 24 exceedence.* The SPA developer works with the City to commit that a certain percentage of structures will exceed Title 24 energy standards by a certain amount. Both the percent of structures and amount of Title 24 exceedence are elective choices of the SPA developer. Measures to achieve the exceedence can include any combination of building design, construction materials, or equipment for space conditioning, water heating, or lighting.

- *Energy efficient building program participation.* The SPA developer works with the City to commit that a certain percentage of structures will participate at a specified level in a formal building energy efficiency program sponsored by a utility or comparable organization. Both the percent of structures and level of participation are elective choices of the SPA developer. Program participation would include the same types of measures described for Title 24 exceedence.

Local developers and builders are already taking such actions with increasing regularity. San Diego Gas and Electric reports that standard building practices in the region consistently exceed Title 24 by approximately 5%. Similarly, utility-sponsored efficiency incentive programs are often fully subscribed. Even before the recent energy price shocks in California, energy-efficient construction techniques and equipment were making good economic sense. Table 2 summarizes the latest national survey of energy-saving measures for the residential and commercial building sectors. As shown in the column entitled "Cost of Conserved Energy-\$/kWh," there are a wide variety of highly cost-effective measures available in today's market. In fact, 62 of the 66 measures listed are cost-effective in the San Diego region at present where Table 2 indicates their cost of conserved energy at or below \$0.07/kWh.

The Table 2 survey is consistent with general rules-of-thumb among building energy design professionals that most new residential and commercial construction can cost-effectively exceed Title 24 by as much as 10-20 percent. In fact, being able to cost-effectively achieve these levels has been confirmed by the exceedence terms of efficiency programs administered by SDG&E and organizations such as ConSol. Examples of components in these programs include engineered HVAC design, tight ducts, spectrally selective glass, third-party inspections and diagnostics, and home energy ratings.

If SPA developers select one or both of the building measure options, and merchant builders are called upon to implement the commitment, one technical resource for evaluating the feasibility of specific packages of measures is the California Energy Commission (CEC) Database for Energy Efficient Resources (DEER). DEER is an electronic database of over 250 building energy measures with the latest information on measure capacities, efficiencies, useful lives, installed costs, and savings. DEER can be downloaded from the CEC's website (www.energy.ca.gov/deer). The CEC and San Diego Regional Energy Office (SDREO) also both operate databases of building measure financial incentives with the latest information on amounts and eligibilities.

Table 2
REPRESENTATIVE BUILDING MEASURE COSTS OF SAVINGS

Measure	Category	Cost of Conserved Energy	
		/kWh	/MMBtu
High Priority			
High-Efficiency Vertical-Axis Clothes Washers	Appliance	Negative	N/A
Aerosol-Based Duct Sealing	HVAC	\$0.02	\$2.00
Commissioning Existing Commercial Buildings	HVAC	\$0.03	N/A
Dual Source Heat Pumps	HVAC	\$0.02	N/A
Improved Ducts and Fittings	HVAC	\$0.00	\$0.00
Improved Heat Exchangers	HVAC	\$0.01	N/A
Integrated Lighting Fixtures and Controls	Lighting	\$0.02	N/A
Reduced-Cost and/or Higher Efficiency CFLs	Lighting	\$0.00	N/A
Metal Halide Replacements for Incandescents	Lighting	\$0.00	N/A
Integrated New Home Design	Practice	\$0.03	\$2.80
Integrated Commercial Building Design	Practice	\$0.03	\$3.00
Integrated Gas- and Oil-Fired Space/Water Heating Systems DHW		N/A	\$2.30
Medium Priority			
"Low-leak" Home Electronics	Appliance	\$0.02	N/A
One kwh/day Refrigerator/Freezers	Appliance	\$0.05	N/A
High-Efficiency Dishwashers	Appliance	Negative	Negative
Improved Efficiency Air Conditioning Compressors	Appliance	\$0.06	N/A
Improved Efficiency Refrigeration Compressors	Appliance	\$0.02	N/A
Advanced Clothes Washer and Dishwasher Controls	Appliance	\$0.06	\$4.40
Switched Reluctance Drives	Drive	\$0.05	N/A
Commercial Distribution System Air Sealing	HVAC	\$0.02	\$1.70
Indirect-Direct Evaporative Coolers	HVAC	\$0.05	N/A
Evaporative Condenser Air Conditioning	HVAC	\$0.04	N/A
Advanced Metering/Billing Systems	Information	\$0.00	N/A
Improved Fluorescent Dimming Ballasts	Lighting	\$0.04	N/A
One-Lamp Fixtures and Task Lighting	Lighting	\$0.03	N/A
Compact Fluorescent Floor and Table Lamps	Lighting	\$0.01	N/A
Fuel Cells	Power	\$0.05	N/A
Microturbines	Power	\$0.04	N/A
Dry-Type Distribution Transformers	Power	\$0.03	N/A
Heat Reflecting Roof Coatings	Shell	\$0.04	N/A
High R (>4) Windows	Shell	N/A	\$4.00
Integrated Elec. Space Conditioning/Water Heating Systems DHW	DHW	\$0.02	N/A
Residential Heat Pump Water Heaters	DHW	\$0.04	N/A
Lower Priority			
Laundry Microfiltration Wastewater Recovery	Laundry	N/A	Negative
Ozonated Commercial Laundering	Laundry	N/A	Negative
Copper Rotor Motors	Drive	\$0.00	N/A
Electronically Commutated Permanent Magnet Motors	Drive	\$0.04	N/A
Premium Lubricants	Drive	Negative	N/A
Written Pole Motors	Drive	\$0.08	N/A
Motor Systems Performance Optimization	Drive	Negative	N/A
Residential Absorption Heat Pumps	HVAC	N/A	\$3.10
Ductless Thermal Distribution Systems	HVAC	\$0.04	\$4.20
High-Efficiency Commercial Packaged Acs	HVAC	\$0.04	N/A
Condensing Commercial Boilers and Furnaces	HVAC	N/A	\$4.40
Cool Storage Roof	HVAC	\$0.05	N/A
Engine Driven Vapor Compression Heat Pumps	HVAC	\$0.07	N/A
Geothermal Heat Pumps	HVAC	\$0.06	N/A
Transpired Solar Collectors for Preheating Ventilation Air	HVAC	N/A	\$2.00
Smart Residential HVAC Controls	HVAC	\$0.04	N/A
Integrated Chillers with Heat Recovery	HVAC	\$0.05	\$4.90

Table 2 Continued

Measure	Category	Cost of Conserved Energy	
		/kWh	/MMBtu
Modulating Gas Furnaces	HVAC	N/A	\$4.40
Indirect Lighting	Lighting	\$0.03	N/A
Electrodeless Lamps, Power Supplies and Luminaires	Lighting	\$0.04	N/A
Sulphur Lighting	Lighting	\$0.04	N/A
General Service Halogen Infrared Reflecting Lamps	Lighting	\$0.03	N/A
Improved Daylighting Controls	Lighting	\$0.03	N/A
Daylighting Devices	Lighting	\$0.05	N/A
Advanced Lighting Distribution Systems	Lighting	\$0.04	N/A
Plastic Downlight Luminaires	Lighting	\$0.00	N/A
LED Lighting	Lighting	\$0.08	N/A
ENERGY STAR® Multifunction Devices	Office Eq	\$0.00	N/A
High-Efficiency Packaged Refrigeration Equipment	Refrigeration	\$0.01	N/A
Electrochromic Glazing	Shell	\$0.06	N/A
Low-e Spectrally Selective Retrofit Window Films	Shell	\$0.07	N/A
GFX Drain Water Heat Recovery Device	DHW	\$0.03	N/A
Very Low-Flow Showerheads	DHW	\$0.00	\$0.00
Thermosiphon/Free Siphon Solar Water Heaters	DHW	\$0.07	N/A
Commercial Heat Pump Water Heaters	DHW	\$0.03	N/A
<i>Not a Priority</i>			
Residential Heat Pump Clothes Dryers	Appliance	\$0.09	N/A
Ultrasonic Clothes Washers	Laundry	\$2.04	\$416.40
Photovoltaic Roofing (2,000 sqft home)	Power	\$0.14	N/A
Photovoltaic Roofing (12,000 sqft com. bldg.)	Power	\$0.14	N/A
Low-e Interior Surfaces	Shell	\$0.05	\$4.90

Note: This table is intended to be an illustrative sampling of building efficiency measures rather than an exhaustive inventory. Costs of savings for specific measures and bundles of measures will vary based on site-specific conditions.

Source: *Energy Saving Technologies & Practices for the Building Sector*, American Council for an Energy-Efficiency Economy, 1998.

Solar Measures

This category gave SPA developers two elective options for reducing grid-supplied energy demands from the buildings that will be constructed in the SPAs:

- *Solar thermal applications.* The SPA developer would work with the City to make a commitment that a certain percentage of structures will be equipped with solar thermal systems of a certain capacity. The percentage of structures and size of systems are elective choices of the SPA developer. Such systems may include domestic water heating and pool heating.
- *Solar power applications.* The SPA developer would work with the City to make a commitment that a certain percentage of structures will be equipped with solar photovoltaic (PV) power generation systems. The percent of structures and size of systems are elective choices of the SPA developer.

The following examples provided by the SDREO give a snapshot of current residential economics for both types of solar applications:

- *Solar water heating in new home construction.* Using Shea Home's pricing for the SunSystem CopperSun (\$2,250/dwelling installed), the \$750 State rebate, today's natural gas prices (\$1.60/therm), 200 therms/month of consumption (CEC data), and a 40% solar fraction, the homeowner is in positive cash flow from day one.
- *Photovoltaic (PV) power generation in new home construction.* Using AstroPower's pricing quote for buildings (\$4,200 for a 1.2 kW system, includes the 50% State rebate), \$0.15/kWh cost of electricity, 7% loan rate for 30 years, 31% tax bracket, PV output of 1500 kWh/kW/year, and maintenance costs of \$0.02/kWh, the homeowner comes out about breakeven over the length of the mortgage assuming electric rates remain high. This feasibility would improve proportionately as the number of involved homes and PV systems increase, e.g. 100 homes being equipped in one project. It should be noted that the initial cost of the PV system is considerably less for new construction than to retro-fit an existing house. Builders dealing directly with the manufacturers for large volumes of product obtain better prices.

There are currently four financial incentives available to homeowners who are installing PV systems in California:

- *The Renewable Energy Buy-Down Program.* This CEC program offers cash rebates on eligible renewable energy electric generating systems of up to \$4,500 per kilowatt or 50% of an eligible system purchase price (whichever is less).
- *The California Property Tax Exemption for Solar Systems.* Exempts the additional value of PV systems vs. conventional systems from property tax assessments.
- *Battery Rebate Program (SB-1345).* A CEC grant program that supports the purchase and installation of solar energy systems including back up batteries for PV systems.
- *The California Tax Credit (SB-17).* Effective October 9, 2001, allows a tax credit of either 15% of the purchase and installation of a solar energy system or 7.5% of the net cost after the buy-down rebate (whichever is less).

As with energy-efficient construction generally, the solar cost/benefit equation has steadily improved in recent years. California's recent energy crises has further underscored the attractiveness of this option. A prominent regional example is the Scripps Ranch project being constructed by Shea Homes, where 297 homes will reportedly have solar water heating systems and 100 homes will have PV systems.

Although large-scale projects such as the Scripps Ranch project are demonstrating that residential solar PV is increasingly feasible, the cost-effectiveness of this option continues to be sensitive to economies of scale for equipment purchases and the competing price of grid-delivered electricity. If local electric rates begin to increase again and solar PV systems can be purchased in quantity, then this option deserves serious consideration. At a minimum, it warrants close ongoing monitoring of relevant conditions.

The feasibility of PVs in commercial buildings is even better than residential because businesses can take advantage of state and federal incentives not available to households. For example, a 100 kW system would cost an estimated \$235,000 after all incentives and be able to generate electricity for approximately 10¢/kWh (source: SDREO). Financial incentives currently available for solar PV in general include:

- *San Diego Self-Generation Program.* This SDREO program offers rebates of \$4.50/watt up to 50% of eligible project costs for PV systems between 30 kW and 1 MW. This incentive program can be used or the CEC Emerging Renewable Buy-Down Program, but not both.
- *California Energy Commission Emerging Renewable Buydown Program.* The CEC, through its Emerging Renewable Buydown Account, offers rebates of up to \$4.50/watt or 50% of the cost for eligible renewable energy generation equipment, including solar PV.
- *California Property Tax Exemption.* This law exempts the additional value of solar systems versus conventional systems from property tax assessments.
- *Federal Tax Incentives.* There are two federal tax incentives available to commercial entities to encourage private investment in solar energy equipment and systems: a 10% investment tax credit and a 5-year accelerated depreciation schedule.

If SPA developers select one or both of the solar options, and builders are called upon to implement the commitment, they can receive valuable technical assistance from SDREO and CEC solar programs, along with resources provided by the California Solar Energy Industries Association.

2.3 Indicators

The second step in customizing INDEX to Chula Vista was the selection of indicators to gauge key characteristics of the 12 action measures. Indicators are quantitative measurements of community characteristics or conditions. They focus on small pieces of larger systems to give people insight into the larger situation. In community planning, indicators are usually focused on conditions related to key goals and policies. The premise is that plan preparation and implementation can be valuably informed by a standard set of policy based measurements that are used to gauge planning actions.

Criterion's INDEX software is designed to support community planning by applying indicators geographically to current conditions and proposed changes. Figure 1 illustrates the integration of INDEX indicators into a typical community planning process. In the case of Chula Vista, the software has been focused on implementation of the CO2 Reduction Plan through energy efficient land-use planning.

Given this objective, project participants selected 52 indicators to address the energy and emission aspects of proposed land developments. The indicators are given in Table 3 with definitions, units of measurement, and applicable land-uses. These indicators were used to score the baseline and SPA energy values, and quantify the amount of air quality and climate change benefits embodied in the final SPA plans.

2.4 Baselines

The next step in the pilot test was calculation of the baseline values that SPA plans would be judged against. The baseline represents "pre-efficiency" approaches to land development without any special effort to reduce energy use or emissions. To set the baseline, a group of three Chula Vista neighborhoods built in the 1970s and 80s was measured with the INDEX indicators, and a weighted average score was calculated for each indicator to constitute a baseline value for that indicator.

In choosing baseline neighborhoods, the City staff looked for areas that would be comparable to those areas currently being developed in the community. The baseline areas needed to have land-use mixes with individual design features similar to current SPA proposals. The selected baseline neighborhoods included Terra Nova, and two neighborhoods in the College Estates area, all shown in Figure 2. For purposes of the pilot study, these neighborhoods are referred to as College Estates I and II.

These neighborhoods were not considered to be practical baselines for three action measures: building construction, solar use, and vegetation. This is because no records exist to document these conditions at the time of the neighborhoods' original development. Instead, these measures were addressed as follows:

- *Building efficiency.* This category includes Title 24 exceedence and participation in building efficiency programs sponsored by utilities or similar organizations. The baseline was set at zero exceedence and zero program participation under the assumption that no extra efforts were made to achieve higher efficiencies at the time of original development in the 1970s and 80s.

Figure 1
SUPPORT OF COMMUNITY PLANNING WITH INDEX

The Community Planning Process

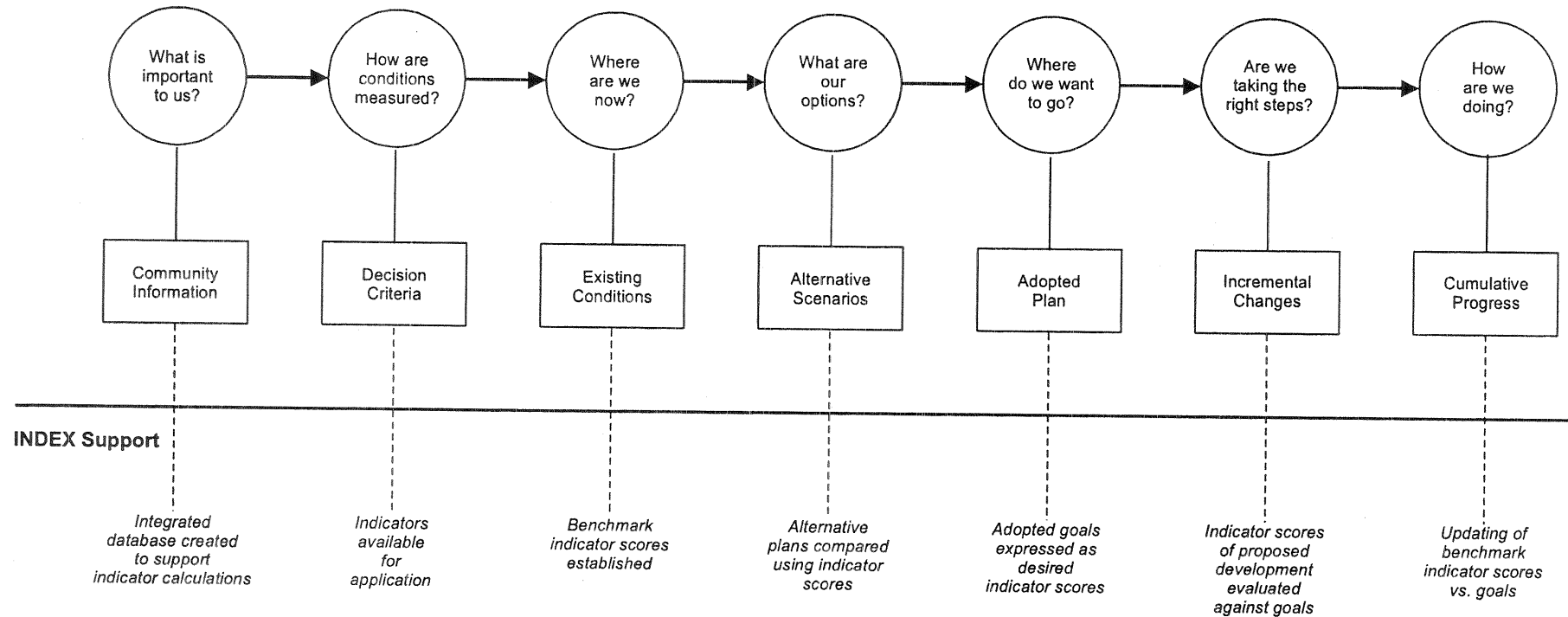


Table 3
CHULA VISTA INDICATORS

Indicator	Indicator Definition	Applicable Land-Use	
		Residential	Non-Residential
1. Population	Total residents.	✓	
2. Households	Total dwelling units.	✓	
3. Employment	Total jobs.		✓
4. Land area	Total area in acres.	✓	✓
5. Development footprint	Total developed acres (exclusive of open space) divided by total residents.	✓	✓
6. Street network extent	Total street centerline distance divided by total residents.	✓	✓
7. Amenity proximity (retail)	Average travel distance from all dwellings to closest amenity (retail) in ft.	✓	
8. Single-family dwelling density	Single-family dwelling units per net acre of residential land.	✓	
9. Multi-family dwelling density	Multi-family dwelling units per net acre of residential land.	✓	
10. Average residential density	Dwelling units per net acre of residential land.	✓	
11. Employment density	Number of employees per net acre of nonresidential land.		✓
12. Commercial building density	Average commercial floor area ratio.		✓
13. Use mix	Proportion of dissimilar land uses among adjacent one-acre grid cells (scale of 0 - 1).	✓	✓
14. Use balance	Proportions of land uses, by land area, within total area (scale of 0 - 1).	✓	✓
15. Neighborhood completeness	Percent of key uses present or adjacent (see footnote 1).	✓	✓
16. Block size	Average size of blocks in acres.	✓	✓
17. Pedestrian orientation of buildings	Average non-residential building set-back from sidewalks in ft.		✓
18. Sidewalk and trail connectivity	Ratio of sidewalk and trail intersections vs. intersections and dead-ends (scale of 0-1).	✓	✓
19. External access for pedestrians	Average ft. between pedestrian access points on area boundary in ft.	✓	✓
20. External access for vehicles	Average ft. between vehicle access points on area boundary in ft.	✓	✓
21. Street connectivity	Ratio of street intersections vs. intersections and cull-de-sacs longer than 150 ft. (scale of 0 - 1).	✓	✓
22. Street network density	Length of street centerlines in miles per sq.mi.	✓	✓

Table 3 Continued

Indicator	Indicator Definition	Applicable Land-Use	
		Residential	Non-Residential
23. Housing proximity to transit	Average travel distance from all dwellings to closest transit stop.	✓	
24. Employment proximity to transit	Average travel distance from all businesses to closest transit stop.		✓
25. Transit-oriented residential density	Average number of dwellings per net residential acre within 1/4 mi. walk of transit stops.	✓	✓
26. Transit-oriented employment density	Average number of employees per net non-residential acre within 1/4 mi. walk of transit stops.	✓	✓
27. Title 24 exceedence	Percent of structures committed to exceeding Title 24 (see footnote 2).	✓	✓
28. Building efficiency program participation	Percent of structures committed to building efficiency program participation (see footnote 3).	✓	✓
29. Solar thermal applications	Percent of structures committed to solar thermal applications (see footnote 4).	✓	✓
30. Solar power applications	Percent of structures committed to solar power applications.	✓	✓
31. Vegetative CO ₂ uptake	Total CO ₂ uptake from street trees in lbs/yr.	✓	✓
32. Pedestrian network coverage	Ratio of total pedestrian network centerline distance vs. total street centerline distance.	✓	✓
33. Pedestrian crossing distance	Average street width curb-to-curb in ft.	✓	✓
34. Pedestrian route directness	Average ratio of shortest walkable distance from multiple origins to designated nodes vs. straight line distance between same points.	✓	✓
35. Bicycle network coverage	Percent of streets bikeable (total secondary street centerline distance plus centerline distance of major streets with designated routes).	✓	✓
36. Transit service coverage	Miles of transit routes divided by total acres.	✓	✓
37. Daily auto driving	Vehicle miles traveled/capita/day.	✓	
38. Residential water use	Indoor and outdoor residential water consumption in gals per day per capita, including effects of xeriscaping.	✓	
39. Park space supply	Acres of park per 1,000 residents.	✓	
40. Park proximity	Average distance from all dwellings to closest park in ft.	✓	
41. Open space supply	Percent of total land area dedicated to open space (see footnote 5).	✓	✓
42. Open space contiguity	Proportion of adjacent open space designations among a grid of one-acre cells (scale of 0 - 1).	✓	✓
43. Housing energy use	Total energy use in residences in MMBtu/capita/year.	✓	

Table 3 Continued

Indicator	Indicator Definition	Applicable Land-Use	
		Residential	Non-Residential
44. Household transportation energy use	Total energy use in household travel in MMBtu/capita/year.	✓	
45. Nonresidential building energy use	Total energy use in nonresidential buildings in MMBtu/capita/year.		✓
46. Total energy use	Total residential and nonresidential energy use in MMBtu/capita/year.	✓	✓
47. NOx emissions	NOx emissions in lbs./capita/year.	✓	✓
48. SOx emissions	SOx emissions in lbs./capita/year.	✓	✓
49. HC emissions	HC emissions in lbs./capita/year.	✓	✓
50. CO emissions	CO emissions in lbs./capita/year.	✓	✓
51. PM emissions	PM emissions in lbs./capita/year.	✓	✓
52. CO2 emissions	CO2 emissions in lbs./capita/year.	✓	✓

1. Key uses for "neighborhood completeness" include: fire/police station, library, park, school, and/or general commercial/retail uses.
2. Title 24 exceedence can include building design, construction material, space conditioning, water heating, and lighting measures for buildings not participating in a formal energy efficiency program sponsored by utilities or comparable organizations.
3. Building energy efficiency program participation through utilities or comparable organizations can include space conditioning, lighting, water heating, and appliance measures.
4. Solar thermal applications can include domestic hot water heating and pool heating.
5. Land area to be included in open space calculation includes any off-site open space associated with a specific SPA plan.

- *Solar use.* This includes thermal applications for domestic water and pool heating, and PV power generation applications. In both cases the baseline was set at zero under the assumption that very little solar was installed in the 1970s and 80s in such developments.
- *Vegetation.* This category includes the use of street trees to accomplish air pollution and greenhouse gas uptake. The baseline was set at zero to reflect limited tree planting practices at the time of original development.

2.5 Proposed SPA Plans

The final component of the pilot test was the group of proposed SPAs being modeled for air quality improvement purposes. As shown in Figure 3, the SPAs selected by City staff for the pilot test included:

- *Otay Ranch Village Six.* This is a 386-acre project containing approximately 2000 dwellings and a mix of commercial and public uses.
- *Otay Ranch Village Eleven.* This 489-acre project includes about 2300 dwellings and commercial and public uses.
- *EastLake III.* This is a 748-acre project that includes a 259-acre component known as the Woods with approximately 660 dwellings; and the Vistas, a 229-acre area of about 1400 dwellings and a mix of commercial and public uses.

As originally proposed, these SPAs already contained some level of energy-efficient features that improve air quality and reduce CO₂ emissions. The challenge of the pilot test was to determine if additional benefits can be identified and achieved.

Figure 2
BASELINE NEIGHBORHOODS

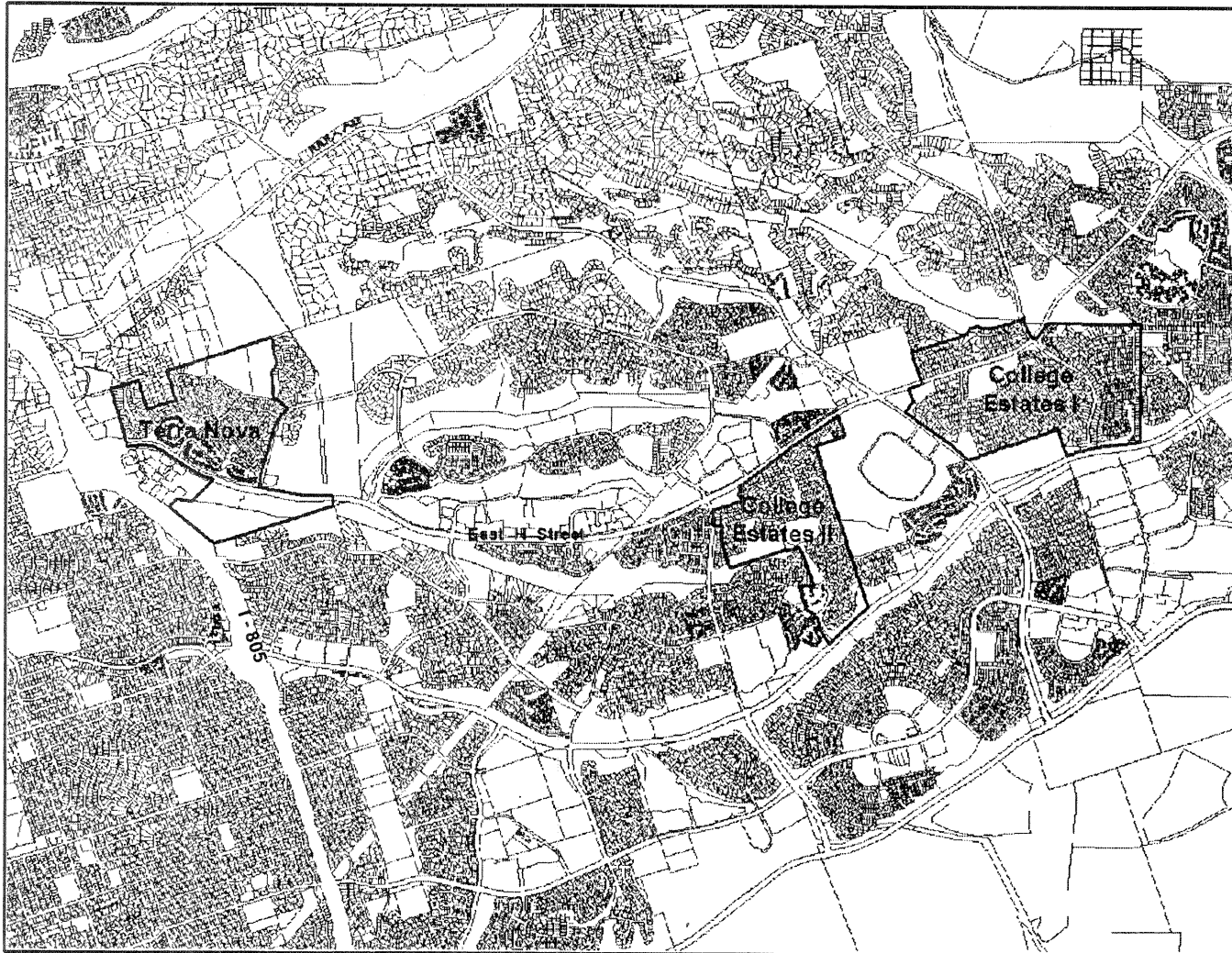
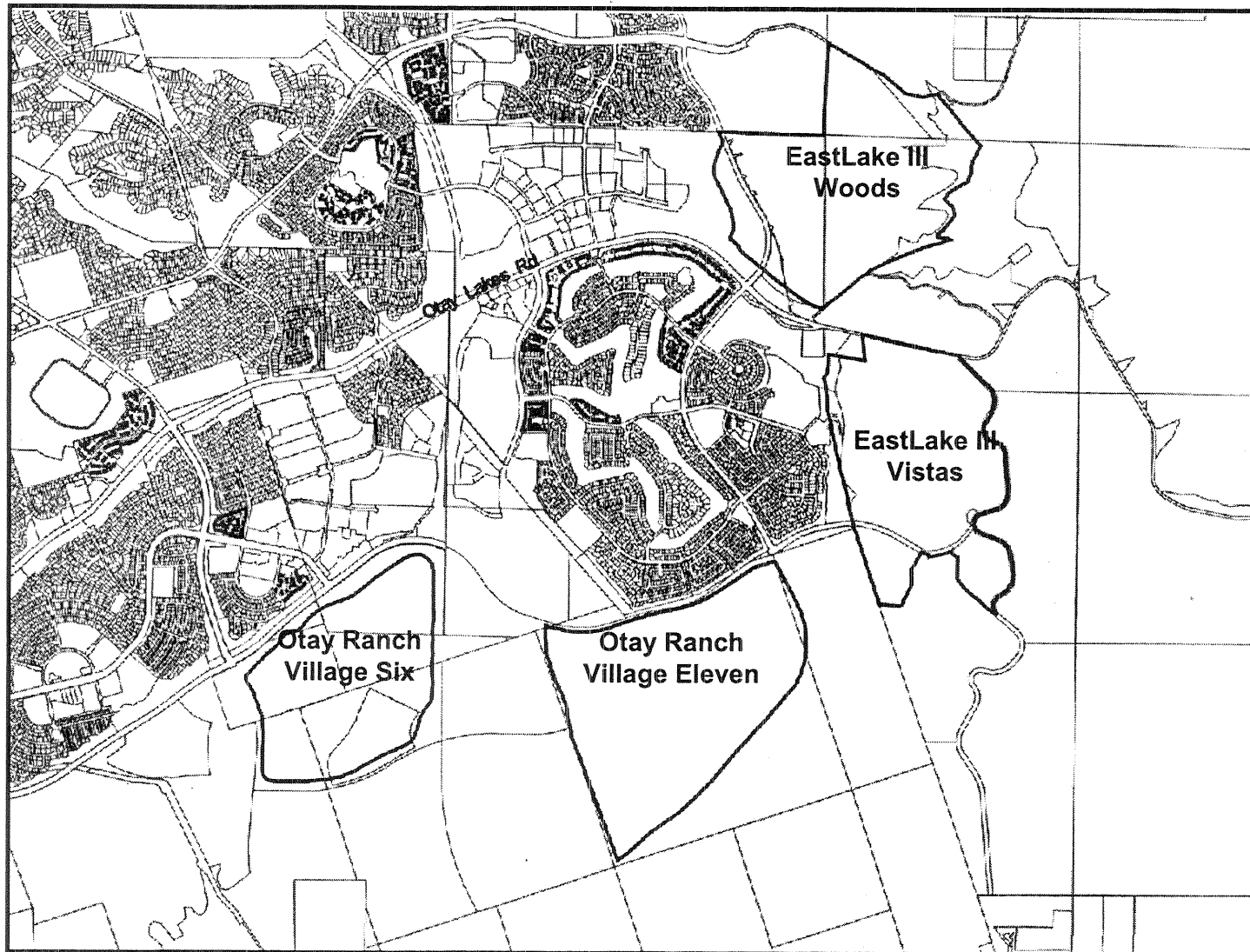


Figure 3
SPA LOCATIONS



3. PILOT TEST

3.1 Baseline Values

Having assembled the components of the pilot test, the first step in INDEX modeling was the calculation of the baseline values. As described in the previous section, these are “pre-efficiency” indicator scores representative of land development practices in the 1970s and 80s. These scores form a baseline that current SPA proposals can be judged against.

As shown in Table 4, baseline values were computed by measuring the three pre-efficiency neighborhoods and then calculating a weighted average score for each indicator. Exceptions to the weighted average occur with six indicators as noted in Table 4, where anomalous conditions in the neighborhoods produced scores that could not be considered typical. In these instances, City staff adjusted the values to more common or practical levels (see Table 4 footnotes). To assist in interpreting the baseline scores, Table 4 also includes comments on the scores’ relationship to common principles of energy-efficient land-use planning.

3.2 Original SPA Proposals

Having set baseline values, the next step was INDEX modeling of the original SPA proposals to obtain their indicator scores. Those SPA scores were then compared to the baseline values as shown in Table 5.

The principal finding from the first round of INDEX modeling is that all three original SPA plans are more energy-efficient than the baseline. Village Six is about 9% more energy-efficient than the baseline, Village Eleven is about 11% more efficient, and EastLake 3 is about 5% better.

Table 4
BASELINE INDICATOR SCORES

			Pre-Efficiency Neighborhoods					
Element	Indicator	Units	Terra Nova	College Estates I	College Estates II	Weighted By	Weighted Average	Comments
Demographics	1. Population	residents	3482	3249	1839	NA	---	
	2. Households	dwelling units	1159	1083	613	NA	---	
	3. Employment	employees	40	245	40	NA	---	
	4. Land Area	acres	199	242	141	NA	---	
Land-Use	5. Development Footprint	acres/resident	0.06	0.07	0.06	residents	0.064	Typical scores for suburban residential.
	6. Street Network Extent	street mi./capita	2.43	2.76	2.66	residents	2.604	Typical scores for suburban residential.
	7. Amenity Proximity (retail)	ft. to closest amenity	2363	3491	4240	dwelling units	3193.902	Distances over 2,640 ft. are pedestrian unfriendly.
	8. Single-Family Dwelling Density	DU/acre	8.22	5.51	6.94	dwelling units	6.917	Typical results for suburban residential.
	9. Multi-Family Dwelling Density	DU/acre	16.66	NA	NA	staff adjusted (1)	16.000	Terra Nova score is favorable; lack of MF in CE 1 & 2 unfairly drags weighted average too low.
	10. Average Residential Density	DU/acre	9.98	5.51	6.94	dwelling units	7.632	Comments above will ripple here.
	11. Employment Density	employees/acre	2.51	12.01	4.08	staff adjusted (2)	12.000	TN & CE2 scores are understandable because of schools only; CE1 is at low end of transit feasibility.

Table 4 Continued

Element	Indicator	Units	Pre-Efficiency Neighborhoods			Weighted By	Weighted Average	Comments
			Terra Nova	College Estates I	College Estates II			
Land-Use Continued	12. Commercial Building Density	avg. floor area ratio	NA	0.08	NA	staff adjusted (3)	0.350	Baseline projects not sufficiently commercial to calculate reasonable baseline of 0.25-0.50; adjusted to conform with applicable development standard.
	13. Use Mix	0 to 1 index	0.33	0.27	0.36	land area (acres)	0.312	Typical suburban residential scores; generally 0.4 or higher denotes high mix areas.
	14. Use Balance	0 to 1 index	0.52	0.34	0.34	land area (acres)	0.402	Typical suburban residential scores; generally 0.75 or higher is desired.
	15. Neighborhood Completeness	% of key uses	40	40	40	residents	40.000	Coincidental identical scores, all favorable; generally 50 or higher is desired.
	16. Block Size	acres	23.48	9.08	10.75	land area (acres)	14.407	Blocks larger than 4-5 acres are pedestrian unfriendly.
	17. Pedestrian Orientation of Buildings	avg. setback ft.	NA	103	NA	feet of setback	103.000	Pedestrian friendly setbacks are 0-30 ft.
	18. Internal Connectivity for Pedestrians	0 to 1 index	0.73	0.81	0.75	no. of ped. intersections	0.764	All favorable scores; generally 0.75 or higher is desired.
	19. Internal Connectivity for Vehicles	0 to 1 index	0.77	0.79	0.66	no. of street intersections	0.742	All favorable except CE2; generally 0.75 is desired.
	20. External Access for Pedestrians	ft. between access points	1138	804	1983	study perimeter (ft.)	1298.648	Scores below 1,200 ft. are favorable.

Table 4 Continued

			Pre-Efficiency Neighborhoods					
Element	Indicator	Units	Terra Nova	College Estates I	College Estates II	Weighted By	Weighted Average	Comments
Land-Use Continued	21. External Access for Vehicles	ft. between access points	1934	2011	2644	study perimeter (ft.)	2184.007	Scores below 1,200 ft. are favorable.
	22. Street Network Density	centerline miles/sq. mi.	15.37	19.71	18.83	land area (acres)	18.013	Typical scores for suburban residential.
	23. Housing Proximity to Transit	ft. to closest stop	1439	1667	861	dwelling units	1401.385	Scores below 1,200 ft. are favorable.
	24. Employment Proximity to Transit	ft. to closest stop	2819	445	984	employees	803.523	Scores below 1,200 ft. are favorable.
	25. Transit-Oriented Residential Density	DU/acre w/i 1/4 mi. stop	11	5	7	staff adjusted (4)	10.000	TN score is favorable, others are not; minimum should be 10.
	26. Transit-Oriented Employment Density	emps./acre w/i 1/4 mi. stop	3	12	4	employees w/in 1/4 mi.	11.252	CE1 score is minimum favorable.
Buildings	27. Title 24 Exceedence	% structures	0	0	0	structures	0	
	28. Building Efficiency Program Participation	% structures	0	0	0	structures	0	
	29. Solar Thermal Applications	% structures	0	0	0	structures	0	
	30. Solar Power Applications	% structures	0	0	0	structures	0	
	31. Vegetative CO2 Uptake	lbs./yr.	0	0	0	land area (acres)	0.000	
Transportation	32. Pedestrian Network Coverage	ped. routes/streets ratio	1.41	1.19	1.31	total street miles	1.284	All favorable scores (anything above 1.0)
	33. Pedestrian Crossing Distance	avg. curb to curb ft.	45	41	39	no. of street intersections	41.726	Pedestrian friendly crossing distances are 30 ft. or less.
	34. Pedestrian Route Directness	walk ft./straightline ft. ratio	1.62	1.76	1.45	dwelling units	1.637	Scores above 1.5 are unfavorable.

Table 4 Continued

			Pre-Efficiency Neighborhoods					
Element	Indicator	Units	Terra Nova	College Estates I	College Estates II	Weighted By	Weighted Average	Comments
Transportation <i>Continued</i>	35. Bicycle Network Coverage	% of streets bikeable	100	100	100	staff adjusted (5)	90.000	
	36. Transit Service Coverage	stops/sq. mi.	8	11	23	land area (acres)	12.873	10-20 is favorable range.
	37. Daily Auto Driving	veh-mi./day/capita	22	22	22	residents (6)	22.000	Typical suburban value; generally 20 or less is desirable.
Infrastructure	38. Residential Water Use	gal./day/capita	128	171	153	residents (7)	149.667	
Environment	39. Park Space Supply	acres/1000 residents	11.20	3.62	7.89	staff adjusted (8)	3.000	TN score is abnormally high.
	40. Park Proximity	ft. to closest park	2090	2732	1266	dwelling units	2156.611	Distances above 1,200 ft. are unfavorable for pedestrians.
	41. Open Space Supply	% of land area	19	2	6	land area (acres)	8.779	TN score again unusually high; however, weighted average may be reasonable.
	42. Open Space Contiguity	0 to 1 index	0.72	0.53	0.58	open space acres	0.679	Scores above 0.5 are favorable.
	43. Housing Energy Use	MMBtu/yr./capita	28	28	36	residents	31.084	Typical scores.
	44. Household Transportation Energy Use	MMBtu/yr./capita	47	47	47	residents	46.800	Typical suburban score; generally 40 or less is desirable.
	45. Nonresidential Building Energy Use	MMBtu/yr./emp.	N/A	18	N/A	employees	18.026	CE1 score representative of strip malls; generally 12 or less is desirable.
	46. Total Energy Use	MMBtu/yr./person	74	75	81	residents & employees	75.561	Typical suburban residential scores for San Diego region.
	47. NOx Emissions	lbs./yr./person	33.01	33.45	33.82	residents & employees	33.349	Derived from energy scores.
	48. SOx Emissions	lbs./yr./person	0.72	0.83	0.92	residents & employees	0.805	Derived from energy scores.

Table 4 Continued

			Pre-Efficiency Neighborhoods					
Element	Indicator	Units	Terra Nova	College Estates I	College Estates II	Weighted By	Weighted Average	Comments
Environment Continued	49. HC Emissions	lbs./yr./person	58.43	58.44	58.44	residents & employees	58.435	Derived from energy scores.
	50. CO Emissions	lbs./yr./person	452.06	452.13	452.23	residents & employees	452.133	Derived from energy scores.
	51. PM Emissions	lbs./yr./person	0.13	0.14	0.16	residents & employees	0.140	Derived from energy scores.
	52. C02 Emissions	lbs./yr./person	10238	10566	10846	residents & employees	10492.572	Derived from energy scores.

1. Terra Nova score was consistent with citywide average east of I-805; rounded to 16.0.
2. Terra Nova and College Estates 2 scores are for school employment only and do not include any retail or commercial; College Estates 1 score is typical for suburban strip commercial employment; rounded to 12.0.
3. Adjusted value is based on allowable development standard.
4. College Estates 1 and 2 scores are beneath transit minimum; adjusted value is typical minimum for feasible transit service.
5. All three neighborhood scores are considered unusually high; adjusted value reflects likelihood of less-than-full coverage.
6. Estimated by Criterion and Fehr & Peers based on SANDAG regional data.
7. Water use estimated by INDEX and confirmed with City data.
8. Value adjusted to be consistent with adopted City standard.

Table 5
ORIGINAL SPA PLAN INDICATOR SCORES

Element	Indicator	Units	Baseline	SPAs		
				OR Village Six	OR Village Eleven	EastLake III
Demographics	1. Population	residents	--	6261	6,974	6173
	2. Households	dwelling units	--	2086	2,304	2,061
	3. Employment	employees	--	241	305	792
	4. Land Area	acres	--	386	489	744
Land-Use	5. Development Footprint	acres/capita	0.064	0.038	0.039	0.071
	6. Street Network Extent	street mi./capita	2.604	1.78	2.05	1.38
	7. Amenity Proximity (retail)	ft. to closest amenity	3193.902	2205	2806	6,224
	8. Single-Family Dwelling Density *	DU/acre	6.917	8.14	7.07	4.50
	9. Multi-Family Dwelling Density *	DU/acre	16.000	24.98	15.80	17.25
	10. Average Residential Density	DU/acre	7.632	12.26	10.39	5.77
	11. Employment Density *	employees/acre	12.000	5.05	6.80	11.25
	12. Commercial Building Density	avg. floor area ratio	0.350 (a)	0.35 (a)	0.35 (a)	0.35 (a)
	13. Use Mix *	0 to 1 index	0.312	0.37	0.31	0.32
	14. Use Balance *	0 to 1 index	0.402	0.48	0.49	0.44
	15. Neighborhood Completeness *	% of key uses	40.000	60	60	80
	16. Block Size	acres	14.407	6.14	9.29	18.43
	17. Pedestrian Orientation of Buildings	avg. setback ft.	103.000	15.000 (a)	15.000 (a)	15.000 (a)
	18. Internal Connectivity for Pedestrians	0 to 1 index	0.764	0.99	0.97	0.920
	19. Internal Connectivity for Vehicles *	0 to 1 index	0.742	0.91	0.91	0.740
	20. External Access for Pedestrians	ft. between access points	1298.648	1279	619	2595
	21. External Access for Vehicles	ft. between access points	2184.007	1512	1599	4672
	22. Street Network Density *	centerline miles/sq. mi.	18.013	17.86	19.37	15.59
	23. Housing Proximity to Transit	ft. to closest stop	1401.385	944	1560	1327
	24. Employment Proximity to Transit	ft. to closest stop	803.523	1064	1040	1077
	25. Transit-Oriented Residential Density	DU/acre w/ 1/4 mi. stop	10.000	12.26	10.40	6.05
	26. Transit-Oriented Employment Density	emps./acre w/ 1/4 mi. stop	11.252	4	6	10
Buildings	27. Title 24 Exceedence	% structures	0	0	0	0
	28. Building Efficiency Program Participation	% structures	0	0	0	0
	29. Solar Thermal Applications	% structures	0	0	0	0
	30. Solar Power Applications	% structures	0	0	0	0
	31. Vegetative CO2 Uptake	lbs./yr.	0.000	179300	163,350	169,950

Table 5 Continued

Element	Indicator	Units	Baseline	SPAs		
				OR Village Six	OR Village Eleven	EastLake III
Transportation	32. Pedestrian Network Coverage *	ped. routes/streets ratio	1.284	2.18	2.25	1.82
	33. Pedestrian Crossing Distance	avg. curb to curb ft.	41.726	35	34	52
	34. Pedestrian Route Directness *	walk ft./straight-line ft. ratio	1.637	1.51	1.38	1.610
	35. Bicycle Network Coverage	% of streets bikeable	90.000	95	100.000	97
	36. Transit Service Coverage	stops/sq. mi.	12.873	16	5	18
	37. Daily Auto Driving	veh-mi./day/capita	22.000 (b)	22.000 (b)	22.000 (b)	23.00 (b)
Infrastructure	38. Residential Water Use	gal./day/capita	149.667	150	160	193
Environment	39. Park Space Supply	acres/1000 residents	3.000	1.50 (c)	2.65 (c)	3.08
	40. Park Proximity	ft. to closest park	2156.611	1357	1626	1804
	41. Open Space Supply	% of land area	8.779	10	13	16
	42. Open Space Connectivity	0 to 1 index	0.679	0.61	0.35	0.67
	43. Housing Energy Use	MMBtu/yr./capita	31.084	24.352	22.563	28.890
	44. Household Transportation Energy Use	MMBtu/yr./capita	46.800 (d)	46.801 (d)	46.801 (d)	46.801 (d)
	45. Nonresidential Building Energy Use	MMBtu/yr./emp.	18.026	14.189	22.364	42.719
	46. Total Energy Use	MMBtu/yr./person (capita + emp)	75.561	69.045	67.392	71.942
	47. NOx Emissions	lbs./yr./person (capita + emp)	33.349	32.659	32.507	33.353
	48. SOx Emissions	lbs./yr./person (capita + emp)	0.805	0.634	0.596	0.806
	49. HC Emissions	lbs./yr./person (capita + emp)	58.435	58.432	58.431	58.435
	50. CO Emissions	lbs./yr./person (capita + emp)	452.133	451.983	451.950	452.134
	51. PM Emissions	lbs./yr./person (capita + emp)	0.140	0.110	0.104	0.140
	52. CO2 Emissions	lbs./yr./person (capita + emp)	10492.572	9,942.781	9,832.839	10,470.883

Notes:

- a) Values are assumed based on applicable development regulations.
- b) Typical suburban value; generally 20 or less is desirable.
- c) Additional park acreage is provided off-site to meet the City requirement of 3 acres/1000 residents.
- d) Typical suburban value; generally 40 or less desirable.

* "Top ten" indicators of urban design-based energy efficiency.

Notable characteristics of the SPAs and differences between their scores and the baseline are summarized below by element category:

- *Demographics.* Villages Six and Eleven are relatively similar, each with about 350–500 acres of land accommodating 6,000–7,000 residents, and a relatively small amount of non-residential uses equating to 250–300 jobs. EastLake III is notably larger in land area at approximately 750 acres, and in employment at about 800 jobs.
- *Land-use.* Villages Six and Eleven generally score better than EastLake III in comparison to baseline values. Villages Six and Eleven have favorable residential densities, neighborhood completeness, circulation connectivity, and proximity to transit. EastLake III enjoys better employment density and the highest neighborhood completeness, but unfavorable scores in residential density and some circulation features, e.g. walk distance to retail and transit-oriented residential density. In general, all three SPAs achieve their energy and emissions advantage over the baseline in this element primarily through higher total population densities, which reduces space conditioning, travel, and infrastructure energy use.
- *Transportation.* There was little change between SPA scores and baseline values in this element, except for significant increases in pedestrian network coverage in all three SPAs, and a drop in transit service coverage in Village Eleven.
- *Infrastructure.* Villages Six and Eleven residential water use scored close to the baseline, while EastLake III was notably higher due to its lower density, larger lots whose greater amount of landscaping is estimated to consume more water.
- *Environment.* Village Six has a park space supply score notably below the City standard (but is nonetheless meeting its park demand through the provision of a seven-acre neighborhood park on-site consistent with City requirements, and the community park acreage is being met off-site pursuant to the Otay Ranch General Development Plan). Villages Six and Eleven improved park proximity for their residents in comparison to the baseline, but that distance worsened in EastLake III. Village Eleven's open space contiguity score is unusually low, suggesting unfavorable fragmentation of spaces (generally 0.5 or higher is desirable). This element also contains the energy and emission scores that summarize the combined effects of land-use, buildings, transportation, and infrastructure. Of the ten energy and emission indicators, the principal indicator is total energy use per year by residents and employees combined. All three SPAs exceed the baseline in efficiency terms, largely due to higher

population densities. The SPAs' favorable energy scores are mirrored by similar reductions in pollutant and greenhouse gas emissions.

3.3 Modified SPA Proposals

The next step in the pilot test was an invitation for developers to submit modified SPA plans that achieved even greater energy efficiency and air quality than the original proposals. SPA developers had the following options available for modifying their plans in ways that further increased energy efficiency and improved air quality:

- *Land-use density.* This is the intensity of use on properties measured in dwelling units per acre for residential uses and employees per acre for non-residential uses. Extensive research nationally and internationally has conclusively demonstrated that the strongest urban planning technique for increasing energy efficiency is increasing land-use density. Density increases produce significant energy savings in building space conditioning, travel, and infrastructure operations. Although it may have been too late for major density changes in the three test SPAs, this option should be examined in future SPA processes because of its sizable benefits.
- *Land-use diversity.* This is the mix of residential and non-residential uses in an area. Research has also demonstrated that another important technique for increasing energy efficiency is increasing the diversity of land-uses. Greater diversity produces energy savings in the same space conditioning, travel, and infrastructure end-uses as density does through better use of system capacities. Again, it may have been too late to consider diversity changes in the three test SPAs, but the option warrants future consideration in other SPAs.
- *Multimodal circulation design.* Another strong technique for saving energy in land development is designing an efficient and convenient multimodal circulation system. Such a system is composed of features that allow walking, biking, and transit use in addition to auto driving. Important components include relatively dense street networks, completeness of sidewalks, and relatively direct routes from common origins to popular destinations. As with density and diversity, it may have been too late for significant circulation changes in the test SPAs.
- *Building construction standards.* SPA developers may opt for a commitment to reduce building energy use by exceeding Title 24. Developers could propose the amount of Title 24 exceedence per building type and the number of buildings that will participate in such exceedence. A developer could exercise this option by committing to a utility or comparable energy efficiency

program that offers beyond-code services, or by simply committing that merchant builders will achieve the stipulated exceedence by means of their own choosing.

- *Solar systems.* SPA developers could opt to reduce grid-supplied energy by installing solar thermal or PV systems in buildings. Developers could propose the type and capacity of systems to be used, and the number of structures that will receive such systems.
- *Tree planting.* This category allowed SPA developers to offer additional tree planting that will offset greenhouse gas emissions. Selection of this option will not improve a SPA's energy efficiency or air pollutant emissions, but will help mitigate climate change.

After consideration of these options, the test SPA developers voluntarily selected the following action measures to improve their projects' energy efficiency and air quality:

- *EastLake III.* 72 single-family homes will achieve a 15% Title 24 exceedence using ComfortWise, SDG&E California Energy Star Program, or equivalent program; 255 single-family homes will achieve a 15% Title 24 exceedence using the SDG&E California Energy Star Program; and an additional 855 trees will be planted.
- *Otay Ranch Village Six.* 482 single-family homes will achieve a 10% Title 24 exceedence using designer/builder-selected measures; and an additional 792 trees will be planted.
- *Otay Ranch Village Eleven.* No additional measures selected.

With these modifications, the SPA plans were modeled again to recalculate indicator scores and identify final energy savings and air quality improvements. These results are shown in Table 6 indicating an approximate 1% energy use reduction for EastLake III and Village Six between original and modified plans. Also, the additional tree planting in EastLake III and Village Six resulted in beneficial CO₂ uptake increases of 25% and 22%, respectively.

Table 6
MODIFIED SPA PLAN INDICATOR SCORES

Element	Indicator	Units	Baseline	Original Village Six	Modified Village Six	Original EastLake III	Modified EastLake III
Demographics	1. Population	residents	--	6261	6261	6173	6173
	2. Households	dw elling units	--	2086	2086	2061	2061
	3. Employment	employees	--	241	241	792	792
	4. Land Area	acres	--	386	386	744	744
Land-Use	5. Development Footprint	acres/resident	0.064	0.038	0.038	0.071	0.071
	6. Street Netw ork Extent	street mi./capita	2.604	1.78	1.78	1.38	1.38
	7. Amenity Proximity (retail)	ft.	3193.902	2205	2205	6224	6224
	8. Single-Family Dw elling Density	DU/acre	6.917	8.14	8.14	4.50	4.50
	9. Multi-Family Dw elling Density	DU/acre	16.000	24.98	24.98	17.25	17.25
	10. Average Residential Density	DU/acre	7.632	12.26	12.26	5.77	5.77
	11. Employment Density	emps./acre	12.000	5.05	5.05	11.25	11.25
	12. Commercial Building Density	ratio	0.350	0.35	0.35	0.35	0.35
	13. Use Mix	0 to 1 index	0.312	0.37	0.37	0.32	0.32
	14. Use Balance	0 to 1 index	0.402	0.48	0.48	0.44	0.44
	15. Neighborhood Completeness	% of key uses	40.000	60	60	80	80
	16. Block Size	acres	14.407	6.14	6.14	18.43	18.43
	17. Pedestrian Orientation of Buildings	ft.	103.000	15.000	15.000	15.000	15.000
	18. Internal Connectivity for Pedestrians	0 to 1 index	0.764	0.99	0.99	0.920	0.920
	19. Internal Connectivity for Vehicles	0 to 1 index	0.742	0.91	0.91	0.740	0.740
	20. External Access for Pedestrians	ft. betw een points	1298.648	1279	1279	2595	2595
	21. External Access for Vehicles	ft. betw een points	2184.007	1512	1512	4672	4672
	22. Street Netw ork Density	miles/sq. mi.	18.013	17.86	17.86	15.59	15.59
	23. Housing Proximity to Transit	ft. to closest stop	1401.385	944	944	1327	1327
	24. Employment Proximity to Transit	ft. to closest stop	803.523	1064	1064	1077	1077
	25. Transit-Oriented Residential Density	DU/acre w /i 1/4 mi.	10.000	12.26	12.26	6.05	6.05
	26. Transit-Oriented Employment Density	emps./acre w /i 1/4 mi.	11.252	4	4	10	10

Table 6 Continued

Element	Indicator	Units	Baseline	Original Village Six	Modified Village Six	Original EastLake III	Modified EastLake III
Buildings	27. Title 24 Exceedence	% structures	0	0	46	0	23
	28. Building Efficiency Program Participation	% structures	0	0	0	0	0
	29. Solar Thermal Applications	% structures	0	0	0	0	0
	30. Solar Power Applications	% structures	0	0	0	0	0
	31. Vegetative CO2 Uptake	lbs./yr.	0.000	179300	218900	169950	212700
Transportation	32. Pedestrian Network Coverage	ped. routes/streets ratio	1.284	2.18	2.18	1.82	1.82
	33. Pedestrian Crossing Distance	ft. curb to curb	41.726	35	35	52	52
	34. Pedestrian Route Directness	walk ft./straightline ft. ratio	1.637	1.51	1.51	1.610	1.610
	35. Bicycle Network Coverage	% of streets bikeable	90.000	95	95	97	97
	36. Transit Service Coverage	stops/sq. mi.	12.873	16	16	18	18
	37. Daily Auto Driving	veh.-mi./day/capita	22.000	22.000	22.000	23.000	23.000
Infrastructure	38. Residential Water Use	gal./day/capita	149.667	150	150	193	193
Environment	39. Park Space Supply	acres/1000 residents	3.000	1.50	1.50	3.08	3.08
	40. Park Proximity	ft. to closest park	2156.611	1357	1357	1804	1804
	41. Open Space Supply	% of land area	8.779	10	10	16	16
	42. Open Space Contiguity	0 to 1 index	0.679	0.61	0.61	0.67	0.67
	43. Housing Energy Use	MMBtu/yr./capita	31.084	24.352	23.529	28.890	28.040
	44. Household Transportation Energy Use	MMBtu/yr./capita	46.800	46.801	46.801	46.801	46.801
	45. Nonresidential Building Energy Use	MMBtu/yr./emp	18.026	14.189	14.189	42.719	42.719
	46. Total Energy Use	MMBtu/yr./person	75.561	69.045	68.254	71.942	71.189
	47. NOx Emissions	lbs./yr./person	33.349	32.659	32.574	33.353	33.272
	48. SOx Emissions	lbs./yr./person	0.805	0.634	0.613	0.806	0.786
	49. HC Emissions	lbs./yr./person	58.435	58.432	58.431	58.435	58.435
	50. CO Emissions	lbs./yr./person	452.133	451.983	451.964	452.134	452.116
	51. PM Emissions	lbs./yr./person	0.140	0.110	0.110	0.140	0.140
	52. CO2 Emissions	lbs./yr./person	10492.572	9942.781	9873.000	10470.883	10403.764

3.4 Final Results

Based on the modified SPA plans, the pilot test's final results for energy savings, air quality improvements, and greenhouse gas reductions are as follows:

	Baseline	Village Six	Village Eleven	EastLake III
Total energy use (MMBtu/yr/capita)	75.56	68.25	67.39	71.19
% energy reduction	---	9.70	10.80	5.80
Total air pollutant emissions (lbs/yr/capita)	544.85	543.68	543.59	544.75
% air pollutant emissions reduction	---	0.21	0.23	0.01
Total greenhouse gas emissions (lbs/yr/capita)	10,493.00	9,873.00	9,833.00	10,404.00
% greenhouse gas emissions reduction	---	5.90	6.29	0.85

Water Conservation Plan

WATER CONSERVATION PLAN

SECTIONAL PLANNING AREA (SPA) PLAN EASTLAKE III GDP

EASTLAKE III - OLYMPIC POINTE CONDOMINIUMS

ADDENDUM

Amendment Adopted April 8, 2008
by Resolution No. 2008-095

Revised Jan. 11, 2011
by Resolution No. 2011-002

Revised September 27, 2011
by Resolution No. 2011-190

Project Sponsor
Integral Communities
2235 Encinitas Blvd., Suite 216
Encinitas, CA 92024
Contact: Lance Waite
(760) 944-7511

Prepared by:
Bud Gray & Associates
2452 Arrowhead Court
Chula Vista, CA 91915
Contact: Bud Gray
(619) 656-801

Edited by:
PBS&J
9275 Sky Park Court
San Diego, CA 92123
Contact: Jennifer Duffy
(858) 874-1810

Edited by:
Fuscoe Engineering, Inc.
6390 Greenwich Drive
San Diego, CA 92122
Contact: Robert A. Chase,
P.E.
(858) 554-1500

SECTION II.8
WATER CONSERVATION PLAN

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II.8.1 Executive Summary

When the EastLake III SPA was originally adopted, the entire project was included in a water conservation pilot program to determine which conservation measures were practical and efficient. Based on the results from that program, the City of Chula Vista has established a formal program of water conservation measures to be included in new SPAS or SPA amendments such as the proposed EastLake III Olympic Pointe Condominiums. This Water Conservation Plan implements those requirements for the SPA Amendment project area.

As detailed in this plan, numerous features have been included in the project and commitments made by the developer to minimize the use of water during the construction and use of development within the EastLake III Olympic Pointe Condominiums. These measures are expected to result in an average water savings of 0.009 million gallons per day (MGD).

The following water conservation measures will be implemented in the project:

Table I
Water Conservation Measures

- Hot Water Pipe Insulation
- Pressure Reducing Valves
- Water Efficient Dishwashers
- Evapotranspiration Controllers
- Water Efficient Landscaping

II.8.2 Introduction

The EastLake III Olympic Pointe Condominiums is a development component of the EastLake Planned Community located in the eastern portion of the City of Chula Vista (City). The EastLake III SPA includes two separate residential neighborhoods, EastLake Woods and Eastlake Vistas, and a mixed-use "Activity Core" at the southern end of the SPA, adjacent to the Olympic Training Center (OTC) entrance. The predominate land use in the EastLake III SPA is single family residential with a large complement of public school sites, a commercial site and a CPF site in the Activity Core, and a greenbelt along Salt Creek. The proposed Olympic Pointe Condominiums will be located in the Activity Core, at the southern end of the EastLake Vistas neighborhood on a parcel that was originally designated visitor commercial uses but was never developed.

The approach to water conservation outlined in this plan is intended to be comprehensive and implemented throughout the life of the development project. Water conservation during construction and after occupancy is addressed, as well as the installation of water conserving landscaping, appliances and fixtures.

The following are goals of the EastLake III Olympic Pointe Condominiums Water Conservation Plan (WCP):

- To conserve water during and after construction of the project.
- 2. To comply with the water conservation standards and policies of the City of Chula Vista and Otay Water District. .
- 3. To create a comprehensive framework for the design, implementation and maintenance of water conserving measures, both indoor and outdoor.
- 4. To be economically efficient and cost effective.

II.8.3 Purpose

The purpose of this Water Conservation Plan (WCP) is to respond to the Growth Management Policies of the City of Chula Vista which require larger development projects to prepare a WCP. The water conservation measures presented in this plan are intended to respond to the long term need to conserve water in new development.

The City has adopted formal guidelines for the preparation and implementation of the required WCPs. This WCP incorporates the requirements of the adopted guidelines by following the mandated format for WCPs and incorporating the required water conservation measures into the EastLake III Olympic Pointe Condominiums. The guidelines require the following water conservation measures in all large residential projects subject to WCP requirements:

- Hot water pipe insulation
- Pressure reducing valves
- Water efficient dishwashers
- At least one water conservation measure from the outdoor category identified on the Residential Water Conservation Measures list.

At least one additional water conservation measure from either the indoor or outdoor categories identified on the Residential Water Conservation Measures list.

II.8.4 Project Description

The EastLake III Olympic Pointe Condominiums is a second amendment to the adopted EastLake SPA Plan for a parcel previously designated for tourist commercial development which was subsequently converted to multi-family residential development. The 19.6 acre parcel is located within the Activity Core of EastLake III, just east of the entrance to the OTC. The site is accessed via Olympic Parkway and overlooks Lower Otay Reservoir (see Site Utilization Plan Exhibit WC-1). The parcel is proposed to be developed with 427 dwelling units in two-story buildings at an average density of 21.75 dwelling units/acre.

Site Utilization Plan

RESIDENTIAL Woods

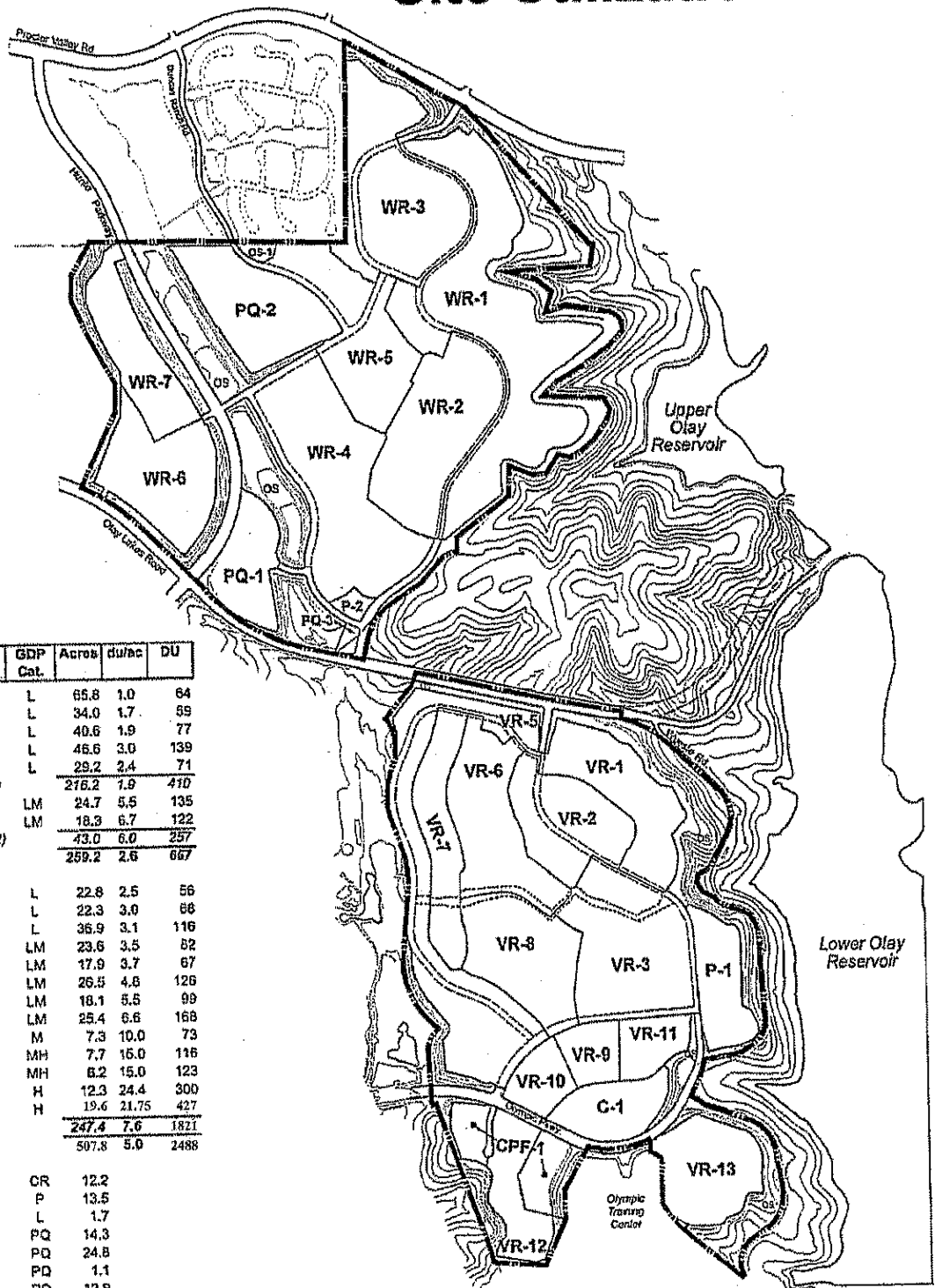
Parcel Number	Land Use	GDP Cat.	Acres	du/ac	DU
WR-1	Single Family	L	65.8	1.0	64
WR-2	Single Family	L	34.0	1.7	59
WR-3	Single Family	L	40.6	1.9	77
WR-4	Single Family	L	46.6	3.0	139
WR-5	Single Family	L	29.2	2.4	71
Residential Sub-total (Woods East)			216.2	1.9	410
WR-6	Single Family	LM	24.7	5.5	135
WR-7	Single Family	LM	18.3	6.7	122
Residential Sub-total (Woods West)			43.0	6.0	257
Residential Sub-total (Woods):			259.2	2.6	667

Vistas

VR-1	Single Family	L	22.8	2.5	56
VR-2	Single Family	L	22.3	3.0	66
VR-3	Single Family	L	36.9	3.1	116
VR-4	Single Family	LM	23.6	3.5	82
VR-5	Single Family	LM	17.9	3.7	67
VR-6	Single Family	LM	26.5	4.8	126
VR-7	Single Family	LM	18.1	5.5	99
VR-8	Single Family	LM	25.4	6.6	168
VR-9	Single/Multi-Family	M	7.3	10.0	73
VR-10	Multi-Family	MH	7.7	15.0	116
VR-11	Multi-Family	MH	6.2	15.0	123
VR-12	Multi-Family	H	12.3	24.4	300
VR-13	Multi-Family	H	19.6	21.75	427
Residential Sub-total (Vistas):			247.4	7.6	1821
Sub-total Residential			507.8	5.9	2488

NON-RESIDENTIAL

G-1	Commercial- Retail	CR	12.2		
P-1	Public Park	P	13.5		
P-2	Private Recreation	L	1.7		
PQ-1	Elementary School	PQ	14.3		
PQ-2	Jr. High School	PQ	24.8		
PQ-3	Fire Station	PQ	1.1		
CPF-1	Comm. Purpose Fac.	PQ	12.9		
OS	Open Space	OS	133.4		
OS-1	OS/School Parking	OS	1.1		
	Major Circulation	dr	25.5		
Sub-total Non-Residential			240.5		
PROJECT TOTAL			748.3	3.4	2488



EASTLAKE III
A planned community by The EastLake Company

(09/27/11)

II.2.1-14

Exhibit 5

SPA PLAN

II.8.5 Water Service & Supply

Most of the potable water used in San Diego County is imported from the Colorado River and the Sacramento-San Joaquin Rivers Delta. A small portion is from local surface water storage reservoirs and groundwater.

The Otay Water District (OWD) provides water service to the EastLake III SPA project area. The OWD is a member of the San Diego County Water Authority (CWA) which purchases the imported water from the Metropolitan Water District of Southern California (MWD). The OWD obtains filtered water from CWA and delivers it local customers.

The EastLake III SPA is located within the OWD's Central Service Area. The project will receive its water supply from the District's Central Area System. Potable water is provided to the Central Service Area of the Otay Water District via the Second San Diego Aqueduct. Water is delivered at aqueduct connections No. 10 and No. 12 and is conveyed by gravity to the Central Service Area emergency/operating reservoirs at a grade of 624 feet. Water is then pumped to the existing 711 and 980 service zones. The proposed EastLake III Olympic Pointe Condominiums will be served from the 980 service zone.

The OWD also provides recycled water to the project area. The District owns and operates the Ralph W. Chapman Water Recycling Facility located near the intersection of Singer Lane and Highway 94. This plant has a stated capacity of 1.3 million gallons of recycled water per day for non-potable water uses such as irrigation of golf courses, school playing fields, public parks, and public landscaping. An additional recycled water supply will be available from the City of San Diego's 15.0 million gallons per day (MGD) capacity South Bay Water Reclamation Plant, which is located in the Tijuana River Valley at Monument and Dairy Mart Roads near the Mexican border. The initial phase of this plant was recently completed.

Recycled water requirements for the project will be coordinated by the Otay Water District and the City of Chula Vista. The phased construction of potable and recycled water facilities, based on the District-approved master plans, will be incorporated into the EastLake III SPA Public Facilities Financing Plan and/or subdivision map conditions for the project to assure timely provision of required facilities. The current tentative map conditions do not require recycled water use to this project because of its proximity to the Otay Lakes and the potential for recycled water runoff to the lakes.

II.8.6 Projected Water Use

This section presents information on the anticipated water demand of the EastLake III Olympic Pointe Condominiums only. As noted previously, the remainder of the EastLake III SPA development was included in the City of Chula Vista's Water Conservation Pilot Program and the adopted Water Conservation Plan remains in effect for that area outside of the EastLake III Olympic Pointe Condominiums.

Table 2 shows projected water use in the EastLake III Olympic Pointe Condominiums, based on average use rates from the Otay Water District's 2002 Water Resources Master Plan, which do not reflect significant conservation measures, and the proposed land use statistics.

Table 2
Potable Water Demand

Land Use	Net Area (ac)	Dwelling Units	Unit Demand	Average Annual Day Demand (gpd)*
MF Residential	18.4	427	300 gpd/du	128,100
TOTAL				0.128 mgd
* gpd = gallons per day; mgd = million gallons per day				

The projected demand for landscape irrigation in the EastLake III Olympic Pointe Condominiums is 0.0080 MGD, as shown in Table 3 below.

Table 3
Irrigation Demand

Land Use	Net Area (ac)	Percent Irrigated	Irrigated Area (ac)	Irrigation Rate (gpd/ac)	Average Day Demand (gpd)*
MF Residential	18.4	15%	3.9	2,152	8,393
TOTAL					0.0080 mgd
* gpd = gallons per day; mgd = million gallons per day					

II.8.7 State & Federal Water Conservation Requirements

Some water conservation measures are mandated by state or federal law. The federal water efficiency plumbing standards were included in the Energy Policy Act enacted in 1992, and effective January 1, 1994. Passage of the Act provided a uniform standard for manufacturers of water-using fixtures including ultra-low-flow toilets, low-flow showerheads and faucets, aerators, washing machines and other appliances and fixtures.

State regulation of water efficiency is based on the California Constitution and Water Code. The Constitution provides the basis for efficient water use and is the foundation for the state's subsequent policies and mandates regarding water conservation and reuse. Additionally, the Urban Water Management Planning Act which was adopted by the California Legislature in 1983 and amended serially through 1995. The Act requires advance planning for water supplies to meet projected demands in the short term and long term with emphasis on water conservation, water recycling, emergency planning for drought restrictions on water use, among other provisions.

In California, regulation of manufacturing and installation of hot-water-related plumbing fittings is under the jurisdiction of the California Energy Commission. The efficiency requirements and regulations are incorporated in the California Code of Regulations Title 20, Appliance Efficiency Regulations. These regulations establish the maximum flow rate for all new showerheads, lavatory faucets, sink faucets, and tub spout diverters manufactured, sold or offered for sale in California.

In effect, current federal and state legislation require the use of certain plumbing devices that meet specified maximum flow rates. These devices include:

- Showerheads
- Lavatory Faucets
- Sink Faucets
- Metering Faucets in Public Restrooms
- Tub Spout Diverters
- Residential Water Closets
- Flushometer Valves
- Commercial Water Closets Urinals
-

Water savings in a typical single family home in Southern California through use of mandated fixtures has been calculated to be approximately 25% of the pre-conservation total.

II.8.8 Local Water Conservation Requirements

In addition to the State and Federal requirements identified above, the City of Chula Vista and the Otay Water District have also adopted water conservation requirements.

The City of Chula Vista Growth Management Ordinance, Municipal Code Section 19.09.050C, requires a Water Conservation Plan (WCP) to be submitted with all Sectional Planning Area (SPA) Plans. The WCP is to provide an analysis of water usage requirements of the proposed project, as well as a detailed plan of proposed measures for water conservation, use of reclaimed water, and other means of reducing per capita water consumption from the proposed project, as well as defining a program to monitor compliance.

As noted in Section II.8.3 Purpose, all projects subject to a WCP are required to include a • specific set of water conservation measures from a menu provided by the City. Per that requirement, the following water conservation measures will be incorporated in the EastLake III

Olympic Pointe Condominiums, which is entirely residential:

- Hot water pipe insulation
- Pressure reducing valves
- Water efficient dishwashers
- Evapotranspiration Controllers
- Water-efficient landscaping for all developer and builder installed landscaping

These measures are detailed along with estimates of water savings due to conservation in the following chapter.

Landscape irrigation is another significant opportunity for water conservation and local agencies have established their own mandates. The City of Chula Vista Landscape Manual requires the use of recycled water, if available, for landscape irrigation within all designated areas as allowed by state and local health codes. Further, Section 26 of the OWD ordinances state that it is the District's policy that reclaimed water shall be used "...whenever its use is financially and technically feasible, and consistent with legal requirements, preservation of public health, safety and welfare, and the environment." The use of recycled water in the EastLake III Olympic Pointe Condominiums is not a condition of the current tentative map because of the project's proximity to Otay Lakes and the potential for excess recycled water to runoff to the lakes.

II.8.9 Water Conservation Estimated Savings

Each of the selected water conservation measures included in the project is detailed below along with an estimate of the water savings associated with each.

Indoor Measures

Hot Water Pipe Insulation

Insulation of hot water pipes and separation of the hot and cold pipes to reduce heat exchange can reduce the amount of time a faucet will need to flow to produce hot water. The estimated water savings is 2,400 gallons per residential unit per year.

Pressure Reducing Valves

Installation of a pressure-reducing valve at the water service connection can maintain the pressure below 60 psi, reducing the volume of leakage that may be present and prevent excessive flow of water from all appliances and fixtures. The estimated water savings is 1,800 gallons per residential unit per year.

Water-Efficient Dishwashers

Dishwashers with water saving features such as water level sensors instead of timed fillers. The estimated water savings is 650 gallons per unit per year.

Outdoor Measures

Evapotranspiration Controllers

Timed, fixed irrigation scheduling based on estimates of actual plant evapotranspiration rates. Radio signal from a central control station or satellite transmits information to the controllers to operate the sprinklers for the appropriate length of time. The estimated water savings with evapotranspiration controllers is 20,000 gallons per year per single family residential unit. This projected water savings is excessive for a 427 unit multi-family complex which is estimated to only use an average of 8,393 gallons per day (3.06 million gallons per year) for irrigation. For this analysis, it is assumed that 10 percent of the irrigated water use or 0.306 million gallons per year can be conserved through use of evapotranspiration controllers.

Water-Efficient Landscaping

Guidelines for water-efficient landscaping are included in the City's Landscape Design Manual. Water efficient landscaping will be utilized on all developer and builder installed landscaping. The estimated water savings by using water efficient landscaping is up to 50 percent of non-efficient landscaping. For a 2,100 square foot (0.048 acre) landscaped area, a water savings of 12,000 gallons per year is estimated. This is equivalent to 250,000 gallons per acre. If 3.9 acres is projected to be irrigated, then the water savings would be 975,000 gallons per year.

Based on the savings estimates associated with each of the water conservation measures detailed above, the total water conservation estimate for the EastLake III Olympic Pointe Condominiums is 0.009 million gallons per day, per Table 4 below.

Table 4
Total Water Conservation Estimate

Conservation Measure	Estimated Savings (gallons per year)	Units/Acres	Conservation Estimate (gallons/year)
Hot Water Pipe Insulation	2,400 per MF Unit	427	1.025 million
Pressure Reducing Valve	1,800 per MF Unit	427	.768 million
Water Efficient Dishwasher	650 per MF Unit	427	.278 million
Evapotranspiration Controllers	6 77,500 per acre	3.9	.336 million
Water Efficient Landscaping	250,000 per acre	3.9	0.975 million
TOTAL			3.382 million
Average Daily Savings	--		0.009 MGD

II.8.10 Implementation Measures

Implementation Measures

In addition to the implementation measures outlined in the previously adopted EastLake III SPA, the Applicant of the subject Project has committed to following the water conservation measures:

- Indoor water conservation measures:
 - Hot-Water Pipe Insulation: Install insulation on all hot water pipes in all common areas and all tenant-developed areas.
 - Pressure Reducing Valves: Provide pressure reducing valves at all meters, set to deliver water at no higher than 60 psi.
- At least one outdoor water conservation measure and at least one additional water conservation measure from either the indoor or outdoor categories.
 - Outdoor Water Conservation Measures
 - Water Efficient Irrigation System Use of rain sensors and soil moisture measuring devices for scheduling and controlling all landscape irrigation programs in commercial, industrial and business centers including tenant areas.
 - Evapotranspiration (ET) Controllers — Timed, fixed irrigation scheduling based on estimates of actual plant evapotranspiration rates. Radio signal from a central control station or satellite transmits information to the controllers to operate the sprinklers for the appropriate length of time.
 - Water-Efficient Landscaping — Use of native vegetation and drought tolerant plant materials, avoiding grass and turf to the extent practical and use of irrigation systems and controllers as required by the Chula Vista Landscape Manual Use. In addition, the use of drip irrigation where possible and restriction of sprinkler irrigation as recommended by the water purveyors.
 - Recycled Water — Expand use of recycled water beyond areas mandated by the water purveyor to those areas where landscaping is within a reasonable reach of recycled water pipelines, to the extent that such use is acceptable to regulatory authorities.
 - Outdoor Garden Sales — All tenants with outdoor garden sales areas to install micro-irrigation systems (trickle or drip irrigation) and provide water conservation educational materials for consumers.

- Optional Water Conservation Measures
 - Sub-meter all individual units.
 - Provide educational materials and guidance to buyers.

Implementation Timing

The implementation measures shall be incorporated in the building plans and installed prior to issuance of certificate of occupancy.

II.8.11 Monitoring

In order to ensure that all provisions of this plan are met, the standard review of landscape and construction documents performed by the City will include an evaluation of compliance with the provisions of this Water Conservation Plan. This approach will allow for a formal determination by the City that each of the required measures is implemented. Future discretionary or administrative actions with regard to development within the EastLake III Olympic Pointe Condominiums (e.g., tentative map, building or grading permit, *etc.*) may be utilized to address or ensure compliance with the prescribed water conservation measures.

THE ORIGINAL OF THIS DOCUMENT
WAS RECORDED ON NOV 01, 2001
DOCUMENT NUMBER 2001-0798036
GREGORY J. SMITH, COUNTY RECORDER
SAN DIEGO COUNTY RECORDER'S OFFICE
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Space Above This Line For Recorder's Use Only

SECOND AMENDED AND RESTATED DEVELOPMENT AGREEMENT

BETWEEN THE CITY OF CHULA VISTA

AND

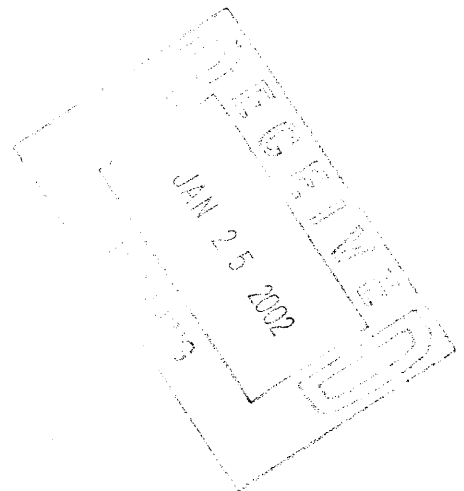
THE EASTLAKE COMPANY, LLC

FOR

EASTLAKE III

(TRAILS, WOODS, VISTAS, BUSINESS CENTER EXPANSION,

OLYMPIC TRAINING SITE AND LAND SWAP)



R2001-269

SECOND AMENDED AND RESTATED DEVELOPMENT AGREEMENT
BETWEEN THE CITY OF CHULA VISTA
AND
THE EASTLAKE COMPANY, LLC FOR
EASTLAKE III

This Second Amended and Restated Development Agreement ("this Agreement") is entered into on October 9, 2001, between THE EASTLAKE COMPANY, LLC, a California limited liability company as successor-in-interest to EastLake Development Company, a California general partnership ("Developer"), and the CITY OF CHULA VISTA, a municipal corporation having charter powers ("City"), with reference to the recitals set forth herein below which are incorporated herein by reference as if set forth fully.

1. Recitals.

1.1 The Original Development Agreement. Developer and City entered into that certain Development Agreement between the City of Chula Vista and EastLake Development Company for EastLake III executed by the mayor of the City of Chula Vista on April 6, 1990, and recorded in the official records of the County of San Diego on April 9, 1990, as Document Number 90-189782 (the "Original Development Agreement").

1.2 Amendment of the Development Agreement. Upon execution of the Letter of Intent, City and Developer agreed to commence and diligently process for the City Council's approval an amendment to the Original Development Agreement to extend the term of the Original Development Agreement for a period of ten years, provided that the parties also mutually agree upon updates to reflect current policies, ordinances and procedures as provided in Section 1.a. of the Letter of Intent. Such amendment also was understood to include incorporation of the Land Swap Parcel, as depicted on Exhibit A-1 and described in Exhibit A-2, into the amendment to the Original Development Agreement, as provided in Section 1.b. of the Letter of Intent.

1.3 University of California Site. In exchange for processing such an amendment to the Original Development Agreement, Developer agreed that City may offer to the University of California certain real property described in the Letter of Intent ("University Site") subject to City attaining ownership of the University Site in accordance with a certain Offer Agreement memorializing the terms of the Letter of Intent as provided in Section 1.b. of the Letter of Intent.

1.4 Amended and Restated Development Agreement. The Original Development Agreement was subsequently amended to include the provisions described in paragraph 1.2 herein, by that certain Amended and Restated Development Agreement between the City of Chula Vista and The EastLake Company, LLC and recorded in the official records of the County of San Diego

on April 5, 2000 as Document Number 2000-0173440 (the "Amended and Restated Development Agreement").

1.5 Second Amended and Restated Development Agreement. The parties intend to amend the Amended and Restated Development Agreement herein referred to as the Second Amendment and Restated Development Agreement (herein referred to as the "Second Amended Development Agreement" or "Agreement"). The parties intend this Second Amended Development Agreement to supersede and replace the Amended and Restated Development Agreement in its entirety.

1.6 City's Authority to Enter into Development Agreement. City, as a charter city, is authorized under Resolution No. 11933, California Government Code 65864, *et seq.*, its Charter, and its self-rule powers to enter into binding development agreements with persons having legal or equitable interests in real property for the purposes of assuring, among other things, (i) certainty as to permitted land uses in the development of such property, (ii) the construction of adequate public facilities to service such property, and (iii) the provision of equitable reimbursement for the construction of public facilities of excessive size or capacity.

1.7 The Property; Developer's Interest. Developer is the owner of the Property depicted in Exhibit A-1 and described in Exhibit A-2, both of which are attached hereto and incorporated herein (the "Property"). The development of the Property, which consists of projects commonly known as EastLake Trails, Panhandle Site, EastLake Woods, EastLake Vistas, an expansion of the EastLake Business Center, the Olympic Training Center and the Land Swap Parcel, is the subject of this Agreement. Developer is master-planning the Property as the third phase of the EastLake Planned Community. Developer represents that it is the owner of the Property and that all other persons holding any legal or equitable interest in the Property will be bound by this Agreement.

1.8 Benefits to City. As facilitated by this Agreement and the previous Development agreements with Developer described herein, the construction of the EastLake III General Development Plan Area and the Land Swap Parcel pursuant to the General Development Plans and Text and the Municipal General Plan of City, as well as the anticipated public facilities required by the Public Facility Financing Plan, will result in the design, financing and construction of millions of dollars of public facilities and amenities in conjunction with the development of residential, commercial, recreational and open space uses. Specifically, , City will derive or have received the following benefits:

1.8.1 The funding of construction of park facilities meeting City's requirements in accordance with City's Ordinances and this Agreement; and

1.8.2 The funding or construction of streets designed to provide adequate and safe transportation to its residents; and

1.8.3 Developer has completed the donation of approximately 150 acres with a market value in excess of Thirteen Million Dollars (\$13,000,000.00) as a site for the Olympic Training Center; and

1.8.4 Developer has contributed Three Million Dollars (\$3,000,000.00) in capital contributions and approximately Eight Million Dollars (\$8,000,000.00) in public infrastructure to the San Diego National Sports Foundation and the U.S. Olympic Committee towards the provision of the Olympic Training Center, and the extension of municipal services necessary for the site's operation; and

1.8.5 Developer has contributed advance funding for park facilities of no less than One Million Three Hundred Ninety-One Thousand Two Hundred Sixty Dollars (\$1,391,260.00) following the approval of the first residential tentative map for EastLake Trails; and will contribute Two Million One Hundred Thirty-Five Thousand Dollars (\$2,135,000.00) for the first residential map in EastLake III (other than Eastlake Trails) as against the Project's ultimate PAD Fees; and

1.8.6 Sewer, water, sales tax and property tax revenues; and

1.8.7 Developer's contribution towards the provision of facilities of regional significance both within and outside the boundaries of the Property.

1.9 Intentions of Parties in Entering into This Agreement. Developer and City intend to enter into this Agreement for the following purposes;

19.1 To assure Developer's participation in the construction and financing of public facilities pursuant to one or more Financing Plans which shall be formulated prior to the commencement of any private or public construction activities on the Property; and

1.9.2 To provide Developer with certainty that the land use regulations and policies applicable to the development of the Property will remain unmodified during the term of this Agreement except as provided for herein; and

1.9.3 To assure Developer of its vested right to proceed with the development of the Property to the land uses, densities and intensity of uses as provided below; and

1.9.4 To assure Developer that Future Discretionary Reviews and Approvals, when granted by City, shall become, for purposes of this Agreement, Existing Project Approvals; and

1.9.5 Developer has provided 150 acres of land, Three Million Dollars (\$3,000,000.00) in capital and approximately Eight Million Dollars (\$8,000,000.00) in public infrastructure to the benefit of the San Diego National Sports Foundation and/or the U.S. Olympic

Committee, in return for such donation and the other covenants contained herein as the total consideration for the vesting of Developer's rights herein, including the vesting of Existing Project Approvals of Future Discretionary Reviews and Approvals upon their granting by City, without the need for further consideration or compensation to City in return for such vesting.

1.10 Adoption of Ordinance Approving Agreement. The Original Development Agreement was first introduced on February 6, 1990, and on February 27, 1990, the City Council adopted Ordinance No. 2356 approving the Original Development Agreement. The Amended and Restated Development Agreement was first introduced on February 1, 2000, and on February 22, 2000, , the City Council adopted Ordinance No. 2805 approving said Agreement. The Ordinance took effect on March 23, 2000. The Second Amended and Restated Development Agreement was first introduced on October 9, 2001 and on October 23, 2001 the City Council adopted Ordinance No. 2846 approving this Agreement. The Ordinance took effect on Nov. 21, 2001.

1.11 Findings of City Council. The City Council has found that this Agreement is consistent with City's General Plan and all applicable mandatory and optional elements thereof, the General Development Plans and Text for the Property, as well as all other applicable policies and regulations of City.

2. Definitions. In this Agreement, unless the context otherwise requires:

2.1 "Builder" or "Merchant Builder" means a developer to whom Developer has sold, leased or conveyed property within the Property for the purpose of its improvement for residential, commercial or industrial use.

2.2 "City Council" means the City Council of the City of Chula Vista.

2.3 "Commit" means all of the following requirements have been met with respect to any public improvement.

2.3.1 All discretionary permits have been obtained for construction of the improvement;

2.3.2 Plans for the construction of the improvement have all the necessary governmental approvals; and

2.3.3 Adequate funds (i.e., letters of credit, cash deposits or performance bonds) are available such that City can construct the improvement if either (I) construction has not commenced within 30 days of issuance of a notice to proceed by the Director of Public Works, or (ii) construction is not progressing towards completion in a manner considered reasonable to the Director of Public Works.

2.4 "Developer" means The EastLake Company, LLC, a California limited

liability company as successor-in-interest to EastLake Development Company, a California general partnership, and the legal persons to which or to whom it may assign all or any portion of its rights under this Agreement.

2.5 "Developer's Donations to the Olympic Training Center" or "Developer's Donations" consisted of donation of (i) 150 acres of property, (ii) Three Million Dollars (\$3,000,000.00) in working capital, and (iii) approximately Eight Million Dollars (\$8,000,000.00) worth of infrastructure improvements, or other such donations of land, working capital and public infrastructure for the provision of the Olympic Training Center, as Developer and the U.S. Olympic Committee and/or the San Diego National Sports Foundation have agreed to or may agree to from time to time in their sole discretion.

2.6 "Effective Date" shall be the date upon which the Ordinance approving this Agreement will first take effect pursuant to the laws of the State of California, as described in Section 1.10 above.

2.7 "Existing Approvals" or "Existing Project Approvals" shall mean all discretionary approvals and/or standards which have been approved in conjunction with or preceding the approval of this Agreement, as they relate to both the Project and the public improvements, consisting of, but not limited to:

2.7.1 The "General Development Plans and Text," consisting of two General Development Plans (EastLake II and EastLake III), as amended and Text adopted for the Property as they existed as of the date of first introduction of this Agreement;

2.7.2 The EastLake III Planned Community District for the Property set forth in Ordinance No. 2345;

2.7.3 The EastLake Trails SPA and Tentative Map and Final Map approvals;

2.7.4 The EastLake Greens SPA and its amendment adopted on November 24, 1998,

2.7.5 The "General Plan," as it existed as of the date of the first introduction of this Agreement as provided in Section 1.10 above, including the EastLake III General Plan Amendment and GPA-90-04, which was adopted by Resolution No. 15506 on February 6, 1990, and the General Plan Amendment GPA-01-07 adopted by Resolution No. 2001-220 on July 17, 2001

In addition, the Existing Project Approvals and further discretionary reviews and approvals shall include the "General Plan" and upon approval by City and written acceptance by Developer, all "Future Discretionary Reviews and Approvals."

2.8 "Financing Plans" means one or more Public Facility Financing Plans that have been adopted as part of the SPA 's as set forth on Exhibit A-3 and will be adopted as part of Future Discretionary Approvals, which (i) set forth a list of various public facilities which Developer must build or fund in part and the phases, time frame or cumulative levels of Project development at which specified public facilities must be assured prior to the construction of the next phase of the Project, and (ii) provide for the attainment of the "Quality of Life Thresholds".

2.9 "Future Discretionary Reviews and Approvals" means the approval by City of all future discretionary permits and entitlements (excluding then Existing Approvals), including, but not limited to (i) General Plan Amendments, General Development Plan and SPA Plan(s), (ii) Master Tentative Map(s), (iii) grading permit(s), (iv) site plan review, (v) design guidelines and review, (vi) precise plan review, (vii) resubdivision of areas previously subdivided pursuant to the Master Tentative Map, (viii) the planned community district regulations, and (ix) the issuance of conditional use permits, variances, and encroachment permits, all other permits, and approvals of any type which may be required from time to time to authorize the construction of on-site or off-site facilities required to construct the Public Improvements and/or the Project.

2.10 "General Development Plans and Text" means the General Development Plan and Text adopted for EastLake III, Resolution No. 2001-220, dated July 17, 2001 and that portion of the General Development Plan and Text adopted for EastLake II relating to EastLake Trails adopted by City pursuant to Resolution No. 15413 dated December 5, 1989, and Resolution No. 15198 dated July 26, 1989, respectively, regulating the development of the Property and authorizing various land uses; also means EastLake II GDP Amendment and text for EastLake Trails and the Land Swap Parcel adopted on , November 24, 1998, all as listed on Exhibit A-3.

2.11 "Growth Management Ordinance" means the following policies and standards intended to regulate the timing and phasing or rate of growth within the City: the Growth Management Element adopted by City Council Resolution No. 15592 on April 17, 1990, an ordinance adopted by the City Council on May 28, 1991, and the Growth Management Program adopted by City Council Resolution No. 16101, on April 23, 1996.

2.12 "Municipal Code" means the provisions of the Chula Vista Municipal Code in existence and in effect on the date of the first reading of this Agreement as an Ordinance by City.

2.13 "Municipal General Plan" or "General Plan" mean all mandatory and optional General Plan elements pursuant to California Government Code § 65302, et seq., in existence on the date of the first reading of this Agreement as an Ordinance by City (subject to the provisions of Sections 2.7 and 4.8), including, without limitation, the EastLake III General Plan Amendment.

2.14 "Olympic Training Center" means the U.S. Olympic Training Facility Center which is constructed on property donated by Developer located adjacent to the west of lower Otay Lakes.

2.15 "PAD Fees" means any Parkland Acquisition and Development Fees which would apply and be payable in conjunction with the approval of the final maps within the Project in such amounts as may be payable pursuant to the provisions herein.

2.16 "Planned Community District Regulations" means the regulations adopted to implement any SPA pursuant to the Chula Vista Municipal Code §§ 19.48.010 through 19.48.140.

2.17 "Planning Commission" means the Planning Commission of the City of Chula Vista.

2.18 "Project" means the physical development of the Property as set forth in the General Development Plans and Text and the General Plan for the area.

2.19 "Property" means the real property lying within the developments which include the neighborhoods and projects commonly known as the Land Swap Parcel, EastLake Trails, EastLake Woods, EastLake Vistas, the EastLake Business Center Expansion and the Olympic Training Center. Such real property is more specifically depicted in Exhibit A-1 and described in Exhibit A-2.

2.20 "Public Improvements" means those public facilities or improvements required by City to be completed or funded by Developer pursuant to the Municipal General Plan, the General Development Plans and Text, any Financing Plan, Tentative Map or other applicable approval, permit, plan, ordinance or regulation.

2.21 "Quality of Life Thresholds" mean those certain Quality of Life thresholds and/or standards as set forth in Municipal Code Section 19.19.040 and as amended from time to time requiring the construction or development of certain facilities to provide desired levels of service to the public.

2.22 "SPAs" means the Sectional Planning Area Plan or Plans to be prepared and approved by City for the purpose of implementing the General Development Plans and Text for the Property in accordance with the Chula Vista Municipal Code §§ 19.48.090 through 19.48.140

2.23 "Substantial Compliance," for the purposes of this Agreement and the periodic review hereunder, shall mean that the party of whom some particular performance is required has sufficiently followed the terms of this Agreement so as to carry out the intent of the parties in entering into this Agreement.

2.24 "Tentative Map(s)" shall refer to any tentative subdivision map(s) for the Property. The term "Final Map(s)" shall refer to any final subdivision map(s) approved pursuant to such tentative subdivision map(s).

3. Description of Property. The Property consists of approximately 1,517 acres in area and is located approximately 7.5 miles east of downtown Chula Vista and 7 miles north of the United States/Mexican border.

4. Vested Right. In consideration of both (i) Developer's pledge to participate in the construction and financing of public facilities in accordance with the Financing Plan(s) that have been developed or will be developed jointly by City and Developer, all as more particularly described in Section 6 below, and (ii) Developer's Donation of land, financial support and public infrastructure for the Olympic Training Center, Developer, by this Agreement, is vested with the right to develop and maintain the Property pursuant to the provisions set forth in this Section 4. Such right to develop, use and maintain the Property shall not be abridged or modified during the term of this Agreement except as specifically provided for herein. Once future discretionary approvals are obtained, they shall be vested to the same extent as the existing project approvals.

4.1 Right to Develop. Developer and any merchant builders to whom Developer may sell, lease or convey any portions of the Property shall have the right to develop the Project for the land uses and to the densities and intensities of land use set forth in the Existing Project Approvals.

4.2 Maximum Height and Size of Structures. The maximum height and size of structures to be constructed within the Project will be governed by any adopted SPA for the area in question.

4.3 Permitted Uses. The Property will be developed as a part of a planned community consisting of residential neighborhoods, commercial development, industrial/business park(s), recreational facilities, school sites, park sites and open space uses, as are more particularly described and authorized by the General Development Plans and Text and the existing Municipal General Plan for the Property and other Existing Approvals, as they may from time to time be further defined upon approval by City of any Future Discretionary Reviews and Approvals in accordance with Section 2.9 above, as well as such other existing land uses as may be mutually agreed upon by the parties.

4.4 Permitted Density and Intensity of Development. City hereby authorizes the Property to be developed to the maximum density or intensity of development specified in the General Development Plans and Text, Municipal General Plan and the Existing Approvals as they may, from time to time be amended and/or expanded, during the term of this Agreement subject to any limitations contained therein; provided, however, that City and Developer acknowledge that the Project (excluding the Land Swap Parcel) was authorized to develop no less than 3,204 dwelling units throughout the Property. As of the date of this Agreement, Developer has entitlements in accordance with Existing Project Approvals for development of 1,143 units in the EastLake Trails portion of the Project and 2,061 units in the EastLake Vistas and the EastLake Woods portions of

the Project. The number of units set forth herein may be adjusted in accordance with Density Bonus Agreements or amendment to Existing Project Approvals as approved by the City. In addition, City agrees to authorize for development 750 dwelling units for the Land Swap Parcel, as set forth in the (EastLake Greens SPA) Existing Project Approvals. Developer may be entitled to develop the remaining 117 dwelling units provided, however, a transfer of unused units is approved by City. Notwithstanding the foregoing, Developer understands that such transfer of unused units requires an amendment to the Existing Project Approvals and is subject to approval or denial by the City Council in its sole discretion as the legislative body for City.

4.4.1 Low or Moderate Income Housing. City acknowledges that low and moderate income housing may be economically impracticable to build at current density levels. City agrees that it will consider granting Developer density bonuses and/or other incentives in the event that City desires Developer to provide such low or moderate income housing and that, in such event, City shall comply with all applicable requirements of law.

4.5 Application of New Rules, Regulations and Policies. City may, during the term of this Agreement, apply to the Project, Public Improvements and/or the Property only such new development fees, rules, regulations and policies, ordinances or standards which are generally applicable to all private projects east of I-805. It is the intent of the parties that the application of such rules, regulations and policies, ordinances or standards will not prevent the development of the Property to the uses, densities or intensities of development specified herein, or as authorized by the Existing Approvals.

4.6 Modification of Approvals, Standards and Obligations. It is contemplated by the parties that City and Developer may mutually agree to modifications to the Existing Project Approvals, public infrastructure requirements, or other modifications to the Project. Upon approval by City and written acceptance by Developer following City's approval, such modification(s) shall supersede any inconsistent Existing Project Approval(s).

4.7 Benefit to Earlier Vesting. Nothing in this Agreement will be construed as adversely affecting Developer's obtaining a vested right to continue development and/or use of the Property, if any, in the manner specified in this Section 4, pursuant to the provisions of California's constitutional, statutory and/or decisional law.

4.8 Application of a Growth Management Ordinance. The Growth Management Ordinance and Quality of Life Thresholds shall apply to the timing and development of the Property. The City may make such changes to the City's Growth Management Ordinance and to the City's Quality of Life Thresholds applicable to the Project as are reasonable and consistent with the purpose and intent of the existing Growth Management Ordinance and which are generally applicable to all private projects east of I-805.

4.9 Growth Management Ordinance. Developer shall Commit the public facilities

and City shall issue building permits in accordance with Existing Project Approvals and Future Discretionary Review and Approvals. The City shall have the discretion and the right to withhold the issuance of building permits any time after the City reasonably determines a Quality of Life Threshold has been exceeded, unless and until the deficiency has been mitigated in accordance with the City's Growth Management Ordinance.

Developer agrees that building permits may be withheld where the public facilities described in the Existing Project Approvals or Future Discretionary Approvals required for a particular Quality of Life Threshold have not been Committed.

In the event a Quality of Life Threshold is not met and future building permits issuance may be withheld, the notice of provisions and procedures contained in Section 19.09.100 of the Municipal Code will be followed. In the event the issuance of building permits is suspended pursuant to the provisions herein, such suspension shall not constitute a breach of the terms of this Agreement by Developer or City. Furthermore, any such suspension which is not caused by the actions or omission of the Developer, shall toll the term of this Agreement and suspend the Developer's obligations pursuant to this Agreement for the period of time the issuance of building permits are suspended.

5. Development Program and Processing.

5.1 Processing of Applications and Permits. City agrees to accept for processing, consideration and approval, denial or conditional approval all Developer's applications for Future Discretionary Reviews and approvals for the Property.

5.2 Length of Validity of Tentative Subdivision Map(s). It is understood by the parties to this Agreement that, pursuant to existing law, a tentative subdivision map may remain valid for the length of term of this Agreement, all as provided in California Government Code § 66452.6(a). City, therefore, in accordance with the provisions of this Agreement, agrees that the Master Tentative Map shall remain valid for a term equal to the longer of the term of the Master Tentative Map as it is determined and may be extended by the provisions of California Government Code § 66452.6 or the length of this Agreement; provided, however, that the term of the Master Tentative Map shall not exceed the maximum allowed by law. No new condition shall be added to any map as a condition of its extension.

5.3 Vesting Tentative Map. Developer may, at its option, process with City a vesting tentative map covering the Property which shall, upon approval, confer upon Developer a vested right to proceed with development of the Property in substantial compliance with the ordinances, policies, and standards described in California Government Code § 66474.2. City will accept the processing and review of such a vesting tentative map covering the Property submitted by Developer to City.

5.4 Parcel Map. City shall accept for processing, and take action upon, a parcel map for the Property, within the timeframes set forth in the state Subdivision Map Act, in order to assist Developer's acquisition of the Property. Developer acknowledges that approval of such map shall not limit City's right in the future, upon the Property's resubdivision, to impose conditions to its further subdivision.

6. Urban Infrastructure.

6.1 Dedications and Reservations of Land for Public Purposes. The portions of the Property to be reserved or dedicated for public purposes shall be: (i) those portions which are required to be dedicated pursuant to any tentative subdivision map and (ii) those portions which are required for the construction of all major road, sewer, drainage or other public rights of way in accordance with the standards in existence for subdivisions adopted by City at the time of the approval of any tentative subdivision map(s) for the Property and such further and additional areas of public reservation or dedication which may be required for the construction of public facilities to mitigate the impacts of the development of the Property pursuant to any Financing Plan adopted in conjunction with any SPA and/or tentative map for the Property.

6.1.1 Parks. In consideration for the vesting of Existing Project Approvals or the Future Discretionary Reviews and Approvals upon their granting by City, Developer agrees to dedicate lands, pay PAD Fees and/or construct park facilities as follows and as provided for in Section 6.1.2 below:

6.1.1.1 Developer may construct one or more private parks within the Property. City, acting through the City Council, may consider Developer's application for any PAD credit available to Developer under this Agreement at the time of consideration of the SPA and/or tentative map for the applicable area; and

6.1.1.2 City acknowledges and agrees that Developer has fulfilled PAD requirements for the 750 multi-family dwelling units planned for the Land Swap Parcel through transferring excess park credits from the EastLake Greens SPA to fulfill the requirements for the Land Swap Parcel; and

6.1.1.3 City acknowledges and agrees that Developer will pay \$2,579,680 for the development portion of the PAD Fee Advances, as defined below, for EastLake Trails consisting of 1,143 dwelling units and offered for dedication to City, the Salt Creek Community Park consisting of 23.26 acres which completes the acquisition portion of the PAD fee for EastLake Trails and is in excess of the 5.96 acres required. Developer understands and agrees that the City may require the Developer to regrade portions of the Salt Creek Community Park. The amount of \$150,000.00 of the cost of such regrading will be born by the Developer. The remaining costs shall be reimburseable as park improvement costs; and

6.1.1.4 City acknowledges and agrees that Developer has received SPA Plan and tentative map approval for EastLake Trails which contains and designates the Salt Creek Community Park for which Developer shall receive park credit of 19.8 acres, in the configuration set forth in the Eastlake Trails SPA Plan. EastLake's obligation to construct Salt Creek Community Park is equal to the development of the PAD fee from the Trails (\$2,579,680) as may be adjusted if additional units are, approved by the City plus 7 acres of improvements of \$2,127,875 as adjusted by the ENR, in accordance with the method described in paragraph 6.1.2.3 commencing from the date of this agreement until bonds have been posted in accordance with City requirements, for construction of said park. Upon the written request of the City, Developer shall provide the City with written documentation verifying the actual cost of construction of said park. Developer agrees to provide such information as needed by the City to verify the actual cost of the park improvements. This community park, when completed in accordance with a park development plan approved by City, will fulfill the EastLake Trails park acreage obligation and complete the outstanding park acreage obligations held over from EastLake I and EastLake II as described in: (a) The EastLake Park Agreement which was adopted by the City Council on August 8, 1989, pursuant to Resolution No. 15225 ("Park Agreement"), (b) Agreement Between City of Chula Vista and EastLake Development Company Regarding Resolution of Dispute Regarding Outstanding Park and Recreation Facility Issues dated March 20, 1996 ("Dispute Agreement"), 8 Escrow Agreement between City of Chula Vista and EastLake Development Company Regarding Resolution of Dispute of Outstanding Park and Recreation Facility Issues dated March 20, 1996 ("Escrow Agreement"), and (d) Amended and Restated Development Agreement dated February 1, 2000

6.1.1.5 Developer's remaining park acreage obligation for EastLake III shall be limited to 18.25 acres of improved park land as approved by City. This obligation will be adjusted if the number of dwelling units changes from that allowed in the current EastLake III General Development Plan approved by the City or if the PAD Ordinance is amended in a manner that effects EastLake's park obligations. Of the 18.25 obligation, the City and Developer have entered into an Agreement with Pacific Bay Homes (agreement dated December 12, 2000 and approved by the City by Resolution No. 2000 - 477) satisfying 5.6 acres of this obligation through the acquisition of land from Pacific Bay Homes and a cash payment for the park improvement in accordance with the terms of said agreement.

6.1.2 PAD Fee Advance(s). In addition to the dedication of lands and/or construction of park facilities by Developer, Developer shall pay to City, in advance of the time that such fees would normally be payable, PAD Fees in the amounts, at the times, and subject to the conditions set forth in this Section 6.1.2 ("PAD Fee Advance(s)"). City may, as an alternative to requiring the payment of any PAD Fee Advances, request Developer to build park facilities of an equivalent cost, as such cost may be adjusted as provided below.

6.1.2.1 Developer will complete a PAD Fee Advance in the amount of \$2,579,680.00 in accordance with the terms of this Agreement, and offered 23.26 acres of land

for dedication to City for the PAD fees due from EastLake Trails in accordance with the approved plans, adjusted as provided below. PAD Fee Advances for Phase II of EastLake Trails project shall be paid by Developer within 60 days following the City Council's approval of the tentative map for Phase II of EastLake Trails or upon demand in writing by City; and Developer shall make a PAD Fee Advance in the amount of Two Million One Hundred Thirty-Five Thousand Dollars (\$2,135,000.00), adjusted as provided below, within 60 days following City's written request therefor, which request may be made at any time following City's approval of the first tentative map within the EastLake III development, exclusive of the EastLake Trails neighborhood and the Olympic Training Center.

6.1.2.2 Immediately upon City's receipt of any PAD Fee Advances, City shall establish and confirm in writing a credit in favor of Developer, in the amount of the PAD Fee Advance(s) received, as against the ultimate PAD Fees applicable to the Project, if any, at the time of issuance of building permits ("PAD Fee Credit"). Any PAD Fee Credit established in favor of Developer may be assignable to any merchant builder to whom Developer sells, leases or conveys any portion of the Property at Developer's option. In the event that the PAD Fee Advances made by Developer are less than the amount of PAD Fees actually payable by the Project at the time of final map approval (i.e., upon the exhaustion of the PAD Fee Credit), Developer shall pay to City the additional PAD Fees at the time that final maps are approved. In no event shall any adjustment to the PAD Fee Advance be applied retroactively to require the payment of any additional PAD Fee with respect to any residential dwelling unit after a building permit has been pulled for such dwelling unit and Developer has paid the additional PAD Fees as provided immediately above.

6.1.2.3 The amount of the PAD Fee Advance or the equivalent amount of park facilities to be built by Developer shall be adjusted upward or downward, from the amounts set forth in Sections 6.1.2.1 and 6.1.2.2 above, throughout the term of this Agreement, beginning upon the effective date of the Original Development Agreement and concluding at such time that the PAD Fee Advance is paid or that Developer Commits to the construction of park facilities of equivalent cost. The adjustment shall be based upon an application to such amounts of an index figure which is intended to reflect the change in the anticipated cost of providing the park improvements. The index figure used shall be the figure published in the "ENR Market Trends" section of Engineering News Record for a category of cost of construction indices listed therein, reflecting increases in the cost of construction within such category, to be mutually agreed upon as the most appropriate category by the parties ("ENR Index"). The ENR Index figure to be for adjusting the PAD Fee Advance pursuant to Section 6.1.2(I) and (ii) above, shall be the ENR Index figure published most recently preceding such event.

6.1.2.4 Notwithstanding anything in this Section 6.1 to the contrary, in no event shall the PAD Fee Advance made by Developer pursuant to Section 6.1.2(I) and (ii) above or the estimated cost of the facilities Committed to by developer as an alternative thereto exceed the amount of PAD Fees which would be payable by Developer for the areas of the Project

proposed for development based upon (a) the estimated number of residential units proposed within such neighborhood(s) and (b) City's PAD Fee ordinances then in existence.

6.1.2.5 Notwithstanding anything in this Section 6.1 to the contrary, in no event shall the term of any indexing hereunder extend further than the earliest to occur of the conclusion of the term of this Agreement or the earlier termination of this Agreement.

6.1.3 Developer Duty to Fund Community Center Escrow. The parties hereby acknowledge the existence of an escrow ("Community Center Funding Escrow" or alternatively herein "Escrow") and designate City as the escrow holder thereof. Developer agrees to fund said Escrow in the amount of \$880,738, plus interest as hereinafter described, on the earlier of (i) June 1, 2002, or (ii) within 90 days of City's written request. Interest on the amount of \$880,738 shall accrue from July 1, 1999 to the earlier of (i) Developer's funding of the Escrow, or (ii) June 1, 2002. The interest accrual rate shall be the rate of the City's average quarterly interest earnings rate on the City's Investment Pool of funds as reasonably determined quarterly by the Finance Director. No interest shall accrue after June 1, 2002, regardless of whether Developer has funded the Escrow. Developer has secured its obligation to fund said Escrow with a bond from a surety which City has deemed sufficient, and of a form acceptable to City.

6.1.4 City's Community Center Duty. Upon funding of the Escrow by Developer as herein required, City shall waive any claim it may have to require Developer to construct a Community Center for the EastLake Project. Further City promises Developer that City will apply proceeds of the Escrow to the design and construction of a community center, and for no other purpose without the consent of Developer, according to the following terms and conditions (City's obligations set forth in this Section may be herein referred to as "City's Community Center Duty"):

6.1.4.1 Timing. City shall commence construction of the Community Center no later than 18 months after Developer funds the Escrow as herein required ("Construction Commencement Date"). The parties may agree in writing to a later Construction Commencement Date.

6.1.4.2 Site and Location Option. The Community Center shall be built on such portion of the Salt Creek Community Park as City shall designate, at City's sole option, unless (i) Developer has not purchased, has lost, or does not have an option to purchase said Salt Creek Community Park site or (ii) City's contribution to the costs of the Community Center (other than land) from other than the proceeds of Developer's funding of the Escrow exceed such funding by Developer, in which case the Community Center may be built at any location of City's choosing in the City of Chula Vista east of I-805 ("Eastern Territories") outside of the EastLake development area.

6.1.4.2.1 Requirements Relating to Location Option.

6.1.4.2.1.1 Time to Exercise. City shall notify Developer of the location of the Community Center one year in advance of the commencement of Construction , as same may be deferred from time to time.

6.1.4.2.1.2 Secure Title; Owner's Commitment. After City notifies Developer of the location of the Community Center, and if Developer owns the land City requires, Developer shall transfer title thereto without additional compensation therefor on demand by City. If the land on which City proposes to locate the Community Center is not owned by Developer but is owned by Western Salt or a successor thereto, the Developer shall, in good faith, request Western Salt, or the then owner, to commit, upon such notification of City's location selection, to transfer title to City. If for any reason they are unwilling or unable to expeditiously do so in order to meet the construction schedule of City, City shall be relieved of the constraint of having to locate the Community Center in the EastLake Project and may build the Community Center anywhere in the Eastern Territories. Nothing in this Agreement shall be construed or interpreted as having the effect of requiring the current property owner (Western Salt) or its successors (excluding Developer) as having an obligation to provide for or make accommodations for the Community Center. Nothing herein shall be interpreted or deemed as a surrender of City's power of eminent domain, and nothing herein shall be deemed to surrender the power to charge and collect a development impact fee or park fee or other assessment or exaction associated with development.

6.1.4.2.1.3 Developer's Right to Request Deferral of Construction Date, Upon Exercise. Developer shall have the right to request a delay in the Construction Commencement Date until Developer has acquired the property through its acquisition and development of the land within EastLake III located south of Otay Lakes Road and east of Hunte Parkway. If extended by City, it shall be on such terms and conditions as the parties deem appropriate.

6.1.4.2.1.4 Park Size. The Salt Creek Community Park Site shall remain in the size and configuration set forth in the EastLake Trails SPA Plan regardless of the location of the Community Center, or construction of a gymnasium as provided in Section 6.1.4.2.1.5. .

6.1.4.2.1.5 Effect on Gym Duty. The City may, at its sole discretion, construct a gymnasium in the same vicinity as, or contiguous to, the Community Center in Salt Creek Park.

6.1.4.3 Contribution of Parties to Costs. If Developer funds the Escrow at the time and in the manner herein required, Developer shall not be required to bear or advance the costs for the design and construction of the Community Center, which shall be borne by City.

6.1.5 Developer's Community Center Park Duty Satisfied. Effective upon funding of the Escrow by Developer as herein required, according to its terms, the parties acknowledge that Developer shall have satisfied any duty it may have had to construct a community center within the EastLake Project.

6.1.6 PAD Fee Credits for Community Center Costs. At such time as Developer funds the Escrow, as herein required, it will be entitled to a PAD fees credit, in dollars, as determined by City in the manner herein provided against Developer's duty to pay the then-prevailing PAD Fees ("Community Center PAD Fees Credit") thereafter when due for the mapping and development of subsequent units within the area of EastLake III or the Land Swap Parcel.

6.1.6.1 Calculation of Community Center PAD Fees Credit. The amount of the Community Center Pad Fees Credit shall be \$800,000 times a fraction the numerator of which are the units entitled by City to be developed within ELIII and the Land Swap Parcel and the denominator of which is the total number of units entitled by City to be developed within the entire EastLake area (i.e., EL I-Hills and Shores, EL II-Greens, EL III, and the Land Swap Parcel), and then adding to the product thereof the sum of \$100,000; but in no event shall the amount of the Community Center PAD Fees Credit exceed \$468,000.

6.1.6.1.1 Example of Calculation. For purposes of example only, assuming the following represent the number of units for each SPA area City has entitled Developer to develop:

<u>Development Area</u>	<u>Units</u>
EL Hills & Shores	1,823
EL Greens	2,500
EL III	2,932
Landswap	750
Total	<u>8,005</u>

the Community Center PAD Fees Credit to which Developer would be entitled would be \$467,970, determined as follows $(3,682/8,005 \times \$800,000) + \$100,000 = \$467,970$ (This example is for illustrative purposes only and may not reflect actual unit counts for the development areas.)

6.1.6.1.2 Credit for PAD Fee Advance(s). The Community Center PAD Fees Credit shall be used to offset the PAD Fee Advance(s) required pursuant to Section 6.1.2.

6.1.7 Total Obligations. The obligations in Sections 6.1.1 through 6.1.6 above shall constitute Developer's and the EastLake Planned Community's total park obligations for the areas encompassed within this Agreement, notwithstanding any future modification to the requirements or standards of City with respect to parkland dedications or the payment of in lieu fees.

Developer's obligations in Sections 6.1.1 through 6.1.6 supersede and replace in their entirety the Park Agreement and the Escrow Agreement. In consideration of the covenants herein, City agrees to waive any and all further PAD Fees otherwise applicable to the Project. The funds advanced pursuant to this section shall be used by City solely for park land acquisition and development purposes to mitigate Project impacts and the park needs of Project residents.

6.2 Public Facilities; Financing Plan, Requirements. City and Developer shall prepare one or more Financing Plan(s). Such Financing Plan(s) shall set forth (i) a description of public facilities and improvement projects needed to serve the Property, including facilities necessary to serve the Project and neighboring developments, (ii) the sequence and staging for build-out of the Property and other development projects which impact on standards for the development of the various public facilities and improvement projects, and (iii) the authorized methods of financing and the allocation of financial responsibility for the construction of the needed public facilities and improvement projects. Such Financing Plan(s) shall employ the Quality of Life Thresholds as the standard for determining the dimensions and timing of the development of public facilities and improvement projects necessary to serve the Property, including facilities necessary to mitigate the incremental impacts of the Project and neighboring development projects.

6.3 Assessment Districts or Public Financing Mechanisms. This Agreement and any Financing Plan(s) recognize that assessment districts, Mello Roos Community Facility Districts, or other public financing mechanisms may be necessary to finance the costs of Public Improvements borne by the Project. If Developer, pursuant to any Financing Plan, is required to install Public Improvements where such Financing Plan authorizes the use of assessment districts, Mello Roos Districts, or other public financing mechanisms, City may select the acceptable method of public financing, initiate and conclude appropriate proceedings for the formation of such financing district or funding mechanism, under the applicable laws or ordinances. Developer shall also have the right to request that City utilize, and City shall conduct (but shall not be required to approve) appropriate proceedings for any other financing methods which may become available under City or state laws or ordinances. All costs associated with the consideration and formation of such financing districts or funding mechanisms shall be advanced by Developer, subject to reimbursement as may be legally authorized out of the proceeds of any financing district or funding mechanism.

6.4 Schools. Developer has satisfied all of City's requirements with respect to the provision of school facilities pursuant to an agreement entered into between Developer and the Sweetwater Union High School District dated December 11, 1986, and an agreement entered into between Developer and the Chula Vista City School District dated December 9, 1986 (collectively, the "School Agreements"). City shall not further condition the development of the Property through the imposition of any further school fees or exactions of any nature whatsoever, and the School Agreements shall be conclusively deemed to mitigate any and all impacts upon school facilities from development of the Project and/or the Property.

6.5 Water. Water to the Property shall be provided by the Otay Water District. Developer and City acknowledge and agree to consider the construction of a water reclamation project on the Property. This Agreement will not preclude City ownership and operation of such a facility.

7. Indemnification and Insurance.

7.1 Hold Harmless. It is understood and agreed that City, as indemnitee, or any officer or employee thereof, shall not be liable for any injury to person(s) or property occasioned by reason of the acts or omissions of Developer (including any assignee of Developer, but only to the extent of specific improvements, acts or omissions of such assignee), its agents or employees, related to this Agreement. Developer further agrees to protect and hold harmless City, its officers and employees from any and all claims, demands, causes of action, liability or loss of any sort, because of the arising out of acts or omissions of Developer, (including any assignee of Developer, but only to the extent of specific improvements, acts or omissions of such assignee), its agents or employees, related to this Agreement. Such indemnification and agreement to hold harmless shall extend to damages or taking of property resulting from the construction of the Project and public improvements as provided herein or to adjacent property owners as a consequence of the diversion of waters in the construction and maintenance of drainage systems, and shall not constitute the assumption by City of any responsibility for such damages or taking, nor shall City by its approval of construction plans for the Project or the public improvements as provided herein, be an insurer or surety for the construction of the Project pursuant to such approved plans. The provisions of this Section shall become effective upon execution of this Agreement and shall remain in full force and effect for three years following the acceptance by City of each public improvement installed by Developer; such acceptance by City shall not be unreasonably withheld. This Section is not intended, nor shall it be construed, to require Developer or City to indemnify or hold the other harmless from their own negligent acts or omissions.

7.1.1 Indemnification. Developer shall indemnify and defend City in any lawsuit or claim which challenges City's approval of the Project, City's approval of this Agreement or the participation by City in this Agreement.

7.2 Insurance. Developer shall name City as an additional insured for all insurance policies obtained by Developer for the Project pertaining to Developer's activities and operation on the Project.

8. EastLake San Diego National Sports Training Foundation/United States Olympic Committee Commitments. Developer, as consideration for City's commitment to the land uses and intensities of development for the Property specified in Section 4 above (hereinafter "City's Commitment"), and in accordance with its agreements with such parties, (i) has conveyed a 150-acre site located generally in the southern portion of Otay Lakes to the San Diego National Sports

Foundation or the United States Olympic Committee, and (ii) has contributed Three Million Dollars (\$3,000,000.00) in working capital and approximately Eight Million Dollars (\$8,000,000.00) in infrastructure improvements to the San Diego National Sports Training (collectively, clauses "(i)" and "(ii)" above are hereinafter referred to as "Developer's Donations"). Developer has executed agreements effecting Developer's Donations. Developer's Donations are hereby declared to constitute sufficient consideration for City's Commitment and no further consideration from Developer shall be required for Developer to obtain the land uses and intensities of development for the Property specified in Section 4 above, whether through this Agreement, amendments to this Agreement, or agreements separate from this Agreement.

9. Binding Effect; Encumbrance of Property; Releases.

9.1 Binding Effect. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties' successors-in-interest.

9.2 Lender Notification. Any lender will receive written notification from City of any default by Developer under this Agreement which is not cured within 30 days if such lender requests such notification from City in writing; provided, however, that failure of City to provide such notification shall not limit City's rights under this Agreement.

9.3 Discretion to Encumber. Nothing in this Agreement will prevent or limit Developer, in any manner, at Developer's sole discretion, from encumbering all or any portion of the Property or any improvements thereon by any deed of trust or other security device.

9.4 Status. Each party will, upon 15 days prior written request, give written notice to the other party of whether the party giving the notice knows of any breach of this Agreement and its current understanding of the status of the parties' performance under this Agreement. A copy of any such notice which is sent to Developer shall also be sent to the holder of any institutional first trust deed encumbering the Project if such holder has made written request for notice and provided City with the holder's address for notice purposes.

9.5 Releases. Once the required Public Improvements are installed, City may release portions of the Property from this Agreement. All areas of the Property designated for residential custom home lot construction shall be released from this Agreement by City upon the request of any individual purchaser without any further consideration.

10. Annual Review; Notice. City will, once every 12 months during the term of this Agreement, pursuant to California Government Code § 65865.1, undertake a periodic review of the parties' compliance with the terms of this Agreement pursuant to the procedures set forth below. Developer shall present information with respect to Developer's good-faith compliance with Section 10.1. In addition to the information provided by Developer in accord with Section 10.1, City may request that Developer address additional issues with respect to Developer's good-faith

compliance with the terms of this Agreement. City shall deliver no less than 30 days' written notice to Developer prior to any hearing of any requirement City desires to be addressed, together with any applicable staff reports, in a manner sufficient for Developer to respond. Either party may address any requirement of this Agreement during the review period. If, at any time of review, any issue not previously identified in writing pursuant to this Section 10 is required to be addressed by City, the review at the request of either party may be continued to afford sufficient time for analysis and preparation. Such review by City may be conducted by the City Manager.

10.1 Information to be Provided Developer. Pursuant to California Government Code § 65865.1, Developer shall have the duty to demonstrate its good-faith compliance with the terms of this Agreement at each periodic review. Developer's duty to demonstrate may be satisfied (except for additional issues raised by City pursuant to Section 10) by the presentation to City of: (i) a written report identifying Developer's performance or the reason for its nonperformance or excused performance of the requirements of this Agreement, or (ii) oral or written evidence submitted at the time of review.

10.1.1 Substantial Compliance. The parties recognize that this Agreement and the documents incorporated herein could be deemed to contain thousands of requirements (i.e., construction standards, landscaping standards, et al.), and that evidence of each and every requirement would be a wasteful exercise of the parties' resources. Accordingly, Developer shall be deemed to have satisfied its duty of demonstration when it presents evidence of its good faith and substantial compliance with any issues requested to be addressed by City in accordance with this Section 10; substantial compliance with the major provisions of the Financing Plan(s) and SPAs, and compliance with the restrictions on the uses, number, type, lots and sizes of structures completed, and any required reservations and dedications to City. Generalized evidence or statements shall be accepted in the absence of any evidence that such evidence or statements are untrue.

10.2 Finding by City During Annual Review Period that Developer is in Default. If, during any annual review period, City, on the basis of substantial evidence, finds Developer has not, in good faith, complied with this Agreement, it will give Developer 30 days' notice of default pursuant to Section 11.

10.3 Delay in Annual Review. City's failure to review annually Developer's compliance with the terms and conditions of this Agreement shall not constitute or be asserted by City as a breach by Developer of any terms of this Agreement.

11. Default. If either party defaults under this Agreement, the party alleging such default will give the breaching party not less than 30 days' notice of default in writing. The notice of default will specify the nature of the alleged default, and, where appropriate, the manner and period of time in which such default may be satisfactorily cured. During any period of cure, the party charged will not be considered in default for the purposes of termination or institution of legal

proceedings. If the default is cured, then no default will exist and the noticing party will take no further action.

11.1 Option to Set Matter for Hearing or Institute Legal Proceedings. After proper notice and the expiration of the cure period, the noticing party to this Agreement, at its option, may (i) institute legal proceedings or (ii) schedule hearings before the Planning Commission and the City Council for a determination as to whether this Agreement should be modified, suspended, or terminated as a result of such default.

11.2 Waiver. Nothing in this Agreement shall be deemed to be a waiver by Developer of any right or privilege held by Developer pursuant to federal or state law, except as specifically provided herein. Any failure or delay by a party in asserting any of its rights or remedies as to any default by the other party will not operate as a waiver of any default or of any such rights or remedies or deprive such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

11.3 Remedies Upon Default. In the event of default by either party to this Agreement, the parties shall have the remedies of specific performance, mandamus, injunction and other equitable remedies. Neither party shall have the remedy of monetary damages against the other; provided, however, that the award of costs of litigation and attorneys' fees shall not constitute damages based upon breach of this Agreement where such an award is limited to (i) the costs of litigation incurred by City, and (ii) the "fee" equivalent of City's costs for the services attributable to litigation and representation by the City Attorney, including assistants and staff.

12. Modification; Suspension; Termination.

12.1 Modification by Mutual Consent. This Agreement may be modified, from time to time, by mutual consent of the parties only in the same manner as its adoption by an ordinance as set forth in California Government Code §§ 65867, 65867.5 and 65868, and Resolution No. 11933 of City. The term "this Agreement" as used in this Agreement will include any such modification properly approved and executed.

12.1.1 Minor Modifications. The parties to this Agreement contemplate the periodic review and modification of the SPA(s), the provisions of the Financing Plan(s) and the terms and conditions of the Future Discretionary Reviews and Approvals. Such agreed upon modifications by the parties hereto are anticipated and shall not constitute an amendment to this Agreement or modification pursuant to this Section 12.1, but shall automatically be incorporated herein. In no event shall City require further consideration or compensation for the processing of any amendments which may be required to solemnify such modifications.

12.2 Emergency Circumstances. If, as a result of specific facts, events or circumstances, City finds, following the procedures outlined in this Section 12.2 and based upon the

preponderance of all evidence presented by the parties, that a severe and immediate emergency threat to the health and safety of the citizens of City requires the modification or suspension of this Agreement, City will:

12.2.1 Notification of Unforeseen Circumstances. Notify Developer of (i) the initiation of City's determination process, and (ii) the reasons for City's determination and all facts upon which such reasons are based; and

12.2.2 Notice of Hearing. Notify Developer in writing at least 14 days prior to the date, of such date, time and place of the hearing and forward to Developer, a minimum of ten days prior to the hearing described in Section 12.2.3, all documents related to such determination and reasons therefor; and

12.2.3 Hearing. Hold a hearing on the determination at which hearing Developer will have the right to address the City Council. At the conclusion of such hearing, City Council may take action to suspend this Agreement. City Council may suspend this Agreement if, at the conclusion of such hearing, based upon the evidence presented by the parties, City finds that the suspension of this Agreement is required to avoid an immediate and severe threat to the health, safety and general welfare of City; and

12.2.4 Unilateral Suspension. Where the citizens of City face a severe and immediate threat to their health and safety, City may unilaterally suspend the effectiveness of this Agreement for a period not to exceed the time reasonably required for notice and a public hearing.

12.3 Change in State or Federal Law or Regulations. If any State or Federal law or regulation enacted during the term of this Agreement or the action or inaction of any other affected governmental jurisdiction precludes compliance with one or more provisions of this Agreement, or requires changes in plans, maps, or permits approved by City, the parties will act pursuant to Sections 12.3.1 and 12.3.2.

12.3.1 Notice Meeting. The party first becoming aware of such enactment or action or inaction will provide the other party with written notice of such state or federal law or regulation and provide a copy of such law or regulation and a statement regarding its conflict with the provisions of this Agreement. The parties will promptly meet and confer in a good-faith and reasonable attempt to modify or suspend this Agreement to comply with such federal or state law or regulation. A copy of any such notice which is sent to Developer shall also be sent to the holder of any institutional first deed of trust encumbering the Project if such holder has made written request for notice and provided City with the holder's address for notice purposes.

12.3.2 Hearing on Supersession of Development Agreement. Thereafter, regardless of whether the parties reach agreement on the effect of such federal or state law or regulation, the matter will be scheduled for hearing before the City Council no sooner than ten days

following written notice of such hearing to Developer. The City Council, at such hearing, will determine the exact modification, suspension or termination which is required by such federal or state law or regulation, if any. Developer, at the hearing, will have the right to offer oral and written testimony regarding any proposed action by City. Any modification, suspension or termination of this Agreement is subject to judicial review.

12.4 Notice of Termination. In the event that this Agreement is terminated pursuant to any of the methods authorized herein this Section 12, City shall prepare and record a Notice of Termination containing a reference to this Agreement and the effective date of any such termination in a form suitable for recordation with the County of San Diego.

13. General Provisions.

13.1 Enforced Delay. Without modifying either party's right to allege a default under this Agreement, the failure to perform or a delay in performing the requirements of this Agreement by either party shall not constitute a default for purposes of this Agreement where such delay or failure to perform is directly caused by litigation by City against Developer or by a City-imposed moratorium on residential, commercial or industrial development.

13.2 Notices. All notices required by or provided for under this Agreement shall be in writing and delivered in person or sent by certified mail, postage prepaid, return receipt requested, to the principal offices of City and Developer. Notice shall be effective on the date delivered in person or the date when the postal authorities indicate that the mailing was delivered to the address of the receiving party indicated below:

<u>Notice to Developer:</u>	<u>With copy to:</u>
William T. Ostrem President, Chief Executive Officer The EastLake Company, LLC 900 Lane Avenue, Suite 100 Chula Vista, CA 91914	David E. Watson, Esq. Gray Cary Ware & Freidenrich 401 B Street, Suite 1700 San Diego, CA 92101
<u>Notice to City:</u>	<u>With copy to:</u>
City Manager City of Chula Vista 276 Fourth Avenue Chula Vista, CA 91910	City Attorney City of Chula Vista 276 Fourth Avenue Chula Vista, CA 91910

Such written notices may be sent in the same manner to such other persons and addresses as either party may from time to time designate by mail.

13.3 Joint and Several Liability. If either party consists of more than one legal person, the obligations are joint and several.

13.4 Severability. If any material provision of this Agreement is held invalid, this Agreement is held invalid, this Agreement will be automatically terminated unless, within 15 days after such provision is held invalid, the party holding rights under the invalidated provision affirms the balance of this Agreement in writing. This provision will not affect the right of the parties to modify or suspend this Agreement by mutual consent pursuant to Section 12.1.

13.5 Recordation of Agreement; Amendments. All amendments hereto must be in a writing signed by the appropriate agents of City and Developer, in a form suitable for recording in the Office of the Recorder, County of San Diego. Within ten days of the effective date of this Agreement, a copy will be recorded in the Official Records of San Diego County, California. Upon Completion of performance of this Agreement or its earlier termination, a statement evidencing such completion or termination, signed by the appropriate agents of Developer and City will be recorded in the Official Records of San Diego County, California.

13.6 Applicable Law. This Agreement will be construed and enforced in accordance with the laws of the State of California.

13.7 Assignment. Developer may transfer its rights and obligations under this Agreement if such transfer or assignment is made as part of a transfer, assignment, sale or lease of all or a portion of the Property and City consents to such transfer. Such consent shall not be unreasonably withheld.

13.8 Term of Agreement. This Agreement shall expire on April 6, 2010.

13.9 Conflict. The provisions stated in this Agreement shall prevail should there be any conflict between this Agreement and the Financing Plan.

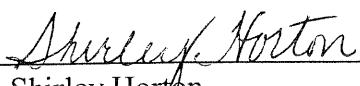
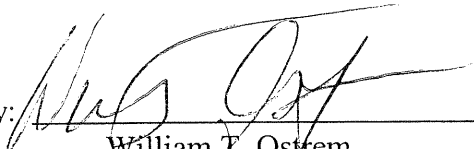
13.10 Covenant of Good Faith and Fair Dealing. Neither party shall do anything which shall the effect of harming or injuring the right of the other party to receive the benefits of this Agreement; each party shall refrain from doing anything which would render its performance under this Agreement impossible; and each party shall do everything which this Agreement contemplates that such party shall do in order to accomplish the objectives and purposes of this Agreement.

13.11 Supersede and Replace. This Agreement shall supersede and replace the Original Development Agreement, the Park Agreement, the Dispute Agreement and the Escrow Agreement in their entirety.

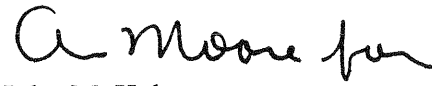
[NEXT PAGE IS SIGNATURE PAGE]

[SIGNATURE PAGE TO SECOND AMENDED AND
RESTATED DEVELOPMENT AGREEMENT BETWEEN THE
CITY OF CHULA VISTA AND THE EASTLAKE COMPANY,
LLC]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above
written.

<p>City:</p> <p>CITY OF CHULA VISTA, a municipal corporation</p> <p>By: <u></u> Shirley Horton, Mayor</p>	<p>Developer:</p> <p>THE EASTLAKE COMPANY, LLC, a California limited liability company</p> <p>By: <u></u> William T. Ostrem, President/CEO</p>
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I hereby approve the form and legality of the foregoing Amended and Restated
Development Agreement this 16th day of October 2001.


John M. Kaheny,
City Attorney

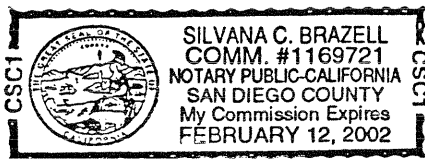
STATE OF California

COUNTY OF San Diego

)
)
)
SS:

On October 4, 2001, before me, Silvana C. Brazell, notary public,
personally appeared William T. Ostrem,
personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person(s) whose
name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the
same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



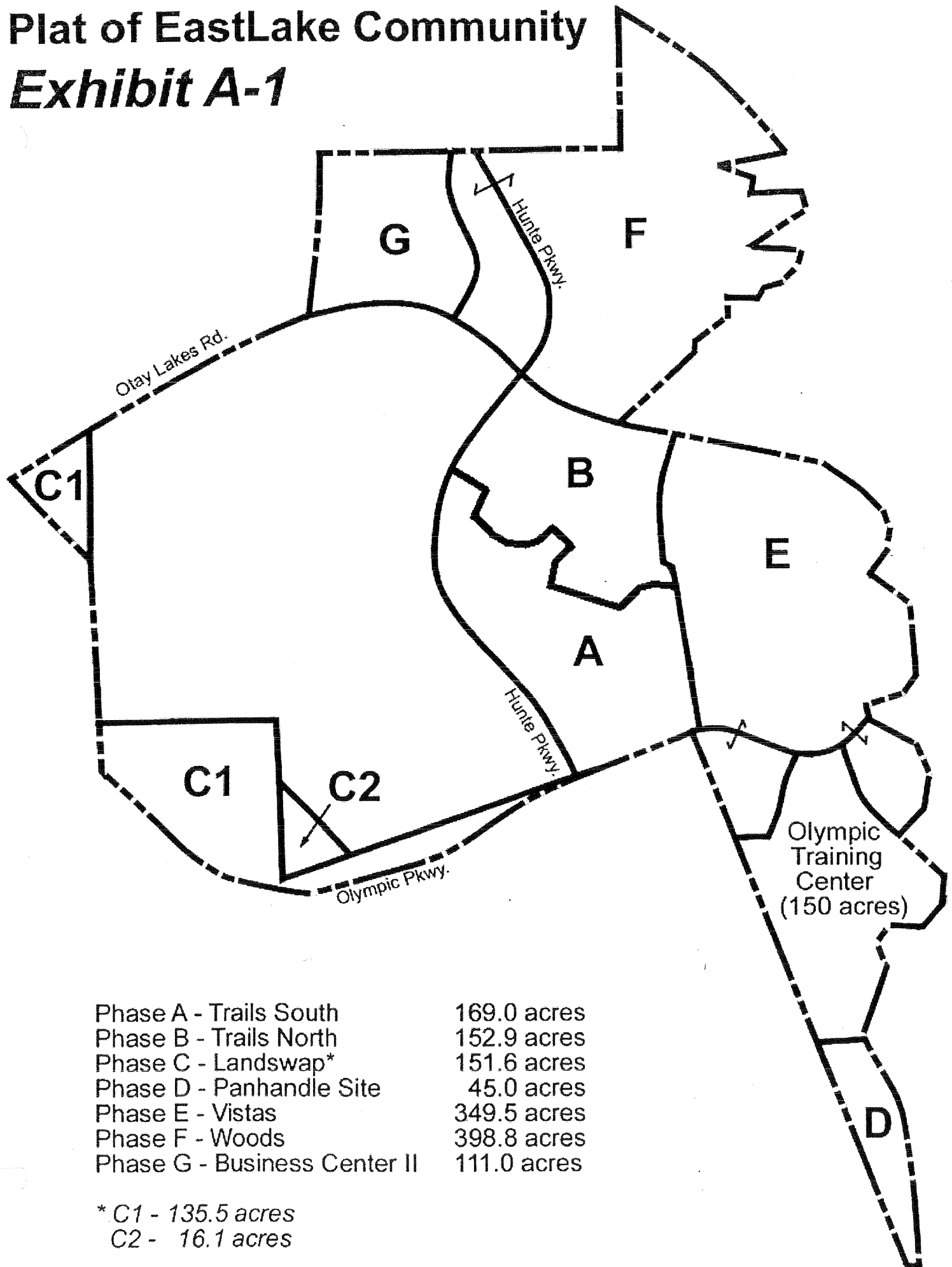
Silvana C. Brazell
Notary Public

LIST OF EXHIBITS
EASTLAKE III

EXHIBIT	DESCRIPTION	FIRST SECTION REFERENCED
A-1	Map of Property	1.2
A-2	Legal Description	1.2
A-3	Existing Approvals	2.8

Plat of EastLake Community

Exhibit A-1



EASTLAKE III

EXHIBIT A-2

(LEGAL DESCRIPTION)

TRAILS SOUTH

Being a portion of Chula Vista Tract No. 99-03, Eastlake Trails South Map No. 13812 filed in the Office of the County Recorder June 18, 1999.

EASTLAKE III

EXHIBIT A-2

(LEGAL DESCRIPTION)

TRAILS NORTH

Being a sum of Chula Vista, Tract No. 99-03, Eastlake Trails North Phases TN-1 and TN-2, Map No. 14126, Chula Vista Tract No. 00-03 Eastlake Trails North, Neighborhoods TN-5 and TN-6, Map No. 14155, and Chula Vista Tract No. 993 Eastlake Trails North, Neighborhoods TN-3 and TN-7, Map No. 14187

EASTLAKE III

EXHIBIT A-2

(LEGAL DESCRIPTION)

LANDSWAP

Those portions of Lot 11 of Otay Ranch according to Map thereof No. 862 filed in the Office of the Recorder of San Diego County, the Northwest Quarter and the Southeast Quarter and the Northeast Quarter of Section 3, Township 18 South, Range 1 West, San Bernardino Meridian, and the Southwest Quarter of Section 34, Township 17 South, Range 1 West, San Bernardino Meridian, all in the City of Chula Vista, County of San Diego, State of California, said portions being more particularly described as follows:

Beginning at the Northwest corner of said Northeast Quarter of Section 3; thence along the North line of said Northeast Quarter of Section 3 South $88^{\circ}46'06''$ East 10.00 feet; thence leaving said Northerly line along a line 10.00 feet Easterly of and parallel with the West line of said Northeast Quarter of Section 3, South $00^{\circ}35'48''$ West 470.44 feet to the beginning of a non-tangent 1970.00 foot radius curve concave Southwesterly, to which a radial line bears North $49^{\circ}31'33''$ East said point being on the Southwesterly line of Final Order of Condemnation No. 494337 (Parcel 200-A) recorded October 3, 1983, File/Page No. 83-353519, Official Records; thence leaving said parallel line, along a line along said Southwesterly line, Northwesterly along the arc of said curve through a central angle of $01^{\circ}24'34''$ a distance of 48.46 feet; thence continuing along said Southwesterly line North $41^{\circ}53'01''$ West 1659.39 feet to the Southeasterly Right-of-way of Otay Lakes Road as described in Final Order of Condemnation No. 602528 recorded February 5, 1990, as File/Page 90-064524, Official Records, said point being the beginning of a non-tangent 4933.00 foot radius curve concave Southeasterly, to which a radial line bears North $31^{\circ}19'49''$ West; thence along said Southeasterly line Northeasterly along the arc of said curve through a central angle of $02^{\circ}07'12''$ a distance of 182.53 feet; thence continuing along said Southeasterly line North $60^{\circ}47'23''$ East 597.45 feet; thence South $31^{\circ}25'49''$ East 10.99 feet; thence North $58^{\circ}34'11''$ East 187.80 feet to the beginning of a tangent 4933.00 foot radius curve concave Southeasterly; thence Northeasterly along the arc of said curve through a central angle of $04^{\circ}07'30''$ a distance of 355.15 feet to a point on the East line of said Southwest Quarter of Section 34; thence along said East line South $00^{\circ}16'14''$ West 1447.66 feet to the Point of Beginning.

Also:

Beginning at the Northwest corner of said Southeast Quarter of Section 3; thence along the West line of said Southeast Quarter South $00^{\circ}35'48''$ West 10.00 feet to the TRUE POINT OF BEGINNING; thence leaving said Westerly line, parallel with the North line of said Southeast Quarter South $88^{\circ}19'01''$ East 1826.96 feet to the Southwesterly line of that 120.00 foot easement granted to SDG&E per document recorded April 5, 1983, File/Page 83-107938, Official Records; thence along said Southwesterly line South $39^{\circ}41'27''$ East 256.30 feet; thence continuing along said Southwesterly line South $41^{\circ}24'13''$ East 966.18 feet to the Westerly line of Rancho Janal according to Map thereof No. 989 filed in the Office of the Recorder of San Diego County; thence along said Westerly line South $00^{\circ}41'24''$ West 1423.95 feet to the Southerly line of said Rancho Janal; thence along said Southerly line North $71^{\circ}56'55''$ East 1039.70 feet to the Southwesterly line of said SDG&E easement; thence along said Southwesterly line South $41^{\circ}24'13''$ East 354.55 feet to the beginning of a non-tangent 5000.00 foot radius curve concave Southerly, to which a radial line bears North $17^{\circ}55'29''$ West; thence leaving said Southwesterly line Westerly along the arc of said curve through a central angle of $00^{\circ}58'32''$ a distance of 85.13 feet; thence South $71^{\circ}05'59''$ West 227.19 feet to the beginning of a tangent 2000.00 foot radius curve concave Northerly; thence Westerly along the arc of said curve through a central angle of $35^{\circ}18'32''$ a distance of 1232.51 feet; thence North $73^{\circ}35'29''$ West 618.51 feet to the beginning of a tangent 1600.00 foot radius curve concave Northeasterly; thence Northwesterly along the arc of said curve through a central angle of $38^{\circ}34'39''$ a distance of 1077.29 feet; thence North $35^{\circ}00'50''$ West 370.00 feet to the beginning of a tangent 1600.00 foot radius curve concave Southwesterly; thence Northwesterly along the arc of said curve through a central angle of $31^{\circ}25'13''$ a distance of 877.42 feet to the West line of said Southeast Quarter of Section 3; thence along said West line North $00^{\circ}35'48''$ East 827.02 feet to the TRUE POINT OF BEGINNING excepting therefrom that portion conveyed to the Otay Water District by Grand Deed recorded March 19, 1993 as File No. 1993-0172610, Official Records.

EASTLAKE III

EXHIBIT A-2

(LEGAL DESCRIPTION)

PAN HANDLE

Those portions of that portion of Rancho Janal in the City of Chula Vista, County of San Diego, State of California deeded to Western Salt Company per deed recorded December 18, 1950 as Document No. 147375 in Book 3902, Page 47 Official Records filed in the Office of the Recorder of said County, said portions being more particularly described as follows:

Beginning at the Southwesterly corner of Parcel 1 of Parcel Map No. 16318 filed in the Office of the Recorder of said County; thence along the Southerly line of said Parcel 1 North $89^{\circ}27'37''$ East 660.34 feet to the Southeasterly corner of said Parcel 1, said point being the beginning of a non-tangent 550.00 foot radius curve concave Northeasterly, to which a radial line bears South $89^{\circ}27'37''$ West; thence along the Easterly line of Parcel 1 of said deed to Western Salt Company, Southeasterly along the arc of said curve through a central angle of $32^{\circ}58'53''$ a distance of 316.60 feet; thence continuing along said Easterly line South $33^{\circ}31'16''$ East 487.69 feet to the beginning of a tangent 950.00 foot radius curve concave Southwesterly; thence continuing along said Easterly line Southeasterly along the arc of said curve through a central angle of $28^{\circ}40'26''$ a distance of 475.43 feet; thence continuing along said Easterly line South $04^{\circ}50'50''$ East 2174.97 feet to the Southeasterly corner of said deed; thence along the Southerly line of said deed North $89^{\circ}03'01''$ West 231.01 feet to the Southwesterly line of said deed, said point also being Corner No. 2 of Rancho Janal; thence along the Westerly line of said deed North $18^{\circ}50'38''$ West 3493.90 feet to the Point of Beginning.

EASTLAKE III

EXHIBIT A-2

(LEGAL DESCRIPTION)

VISTAS (Portion Northerly of Olympic Parkway)

Being a portion of Rancho Janal in the City of Chula Vista, County of San Diego, State of California as shown on Parcel Map 18211 as a unsurveyed remainder parcel, said parcel more particularly described as follows:

Beginning at the Northeast corner of Parcel 3 of said Parcel Map 18211; thence along the boundary of said remainder parcel South $76^{\circ}49'57''$ East 928.06 feet to the beginning of a tangent 5000.00 foot radius curve concave Northeasterly; thence Southeasterly along the arc of said curve through a central angle of $01^{\circ}50'00''$ a distance of 159.99 feet; thence South $78^{\circ}39'57''$ East 944.31 feet; thence South $11^{\circ}20'03''$ West 64.46 feet to the beginning of a non-tangent 950.00 foot radius curve concave Southwesterly, to which a radial line bears North $12^{\circ}12'29''$ East; thence Southeasterly along the arc of said curve through a central angle of $31^{\circ}34'00''$ a distance of 523.40 feet; thence South $46^{\circ}13'31''$ East 686.02 feet to the beginning of a tangent 350.00 foot radius curve concave Westerly; thence Southerly along the arc of said curve through a central angle of $74^{\circ}52'37''$ a distance of 457.40 feet; thence South $28^{\circ}39'06''$ West 344.60 feet to the beginning of a tangent 300.00 foot radius curve concave Southeasterly; thence Southwesterly along the arc of said curve through a central angle of $04^{\circ}43'14''$ a distance of 24.72 feet; thence South $63^{\circ}57'59''$ West 121.43 feet; thence South $13^{\circ}27'59''$ West 90.00 feet; thence South $26^{\circ}14'39''$ East 116.13 feet; thence South $59^{\circ}37'01''$ East 148.00 feet to the beginning of a non-tangent 300.00 foot radius curve concave Northeasterly, to which a radial line bears South $48^{\circ}39'48''$ West; thence Southeasterly along the arc of said curve through a central angle of $30^{\circ}37'49''$ a distance of 160.38 feet; thence South $71^{\circ}58'01''$ East 107.43 feet to the beginning of a tangent 250.00 foot radius curve concave Southwesterly; thence Southeasterly along the arc of said curve through a central angle of $68^{\circ}54'59''$ a distance of 300.70 feet; thence South $03^{\circ}03'02''$ East 822.26 feet to the beginning of a tangent 250.00 foot radius curve concave Northwesterly; thence Southwesterly along the arc of said curve through a central angle of $76^{\circ}02'42''$ a distance of 331.81 feet; thence South $72^{\circ}59'40''$ West 391.61 feet to the beginning of a tangent 260.00 foot radius curve concave Southeasterly; thence Southwesterly along the arc of said curve through a central angle of $26^{\circ}43'25''$ a distance of 121.27 feet; thence North $43^{\circ}39'50''$ West

102.00 feet; thence South $65^{\circ}55'31''$ West 85.00 feet; thence South $44^{\circ}04'52''$ West 82.00 feet; thence South $01^{\circ}29'48''$ East 174.52 feet; thence South $59^{\circ}36'10''$ East 61.50 feet; thence South $30^{\circ}24'20''$ West 72.59 feet; thence South $28^{\circ}07'43''$ West 30.32 feet to the beginning of a tangent 765.00 foot radius curve concave Northwesterly; thence Southwesterly along the arc of said curve through a central angle of $25^{\circ}22'06''$ a distance of 338.71 feet; thence South $53^{\circ}29'48''$ West 31.63 feet to the beginning of a tangent 750.00 foot radius curve concave Northwesterly; thence Southwesterly along the arc of said curve through a central angle of $43^{\circ}04'20''$ a distance of 563.81 feet to the beginning of a non-tangent 944.00 foot radius curve concave Northeasterly to which a radial line bears South $09^{\circ}15'57''$ West; thence Northwesterly along the arc of said curve through a central angle of $10^{\circ}15'56''$ a distance of 169.13 feet to the beginning of a compound 746.00 foot radius curve concave Northeasterly; thence Northwesterly along the arc of said curve through a central angle of $08^{\circ}28'47''$ a distance of 110.41 feet; thence North $61^{\circ}59'20''$ West 669.49 feet to the beginning of a tangent 1654.00 foot radius curve concave Southwesterly; thence Northwesterly along the arc of said curve through a central angle of $28^{\circ}45'31''$ a distance of 830.20 feet; thence North $01^{\circ}48'08''$ West 336.33 feet to the beginning of a tangent 210.00 foot radius curve concave Southeasterly; thence Northeasterly along the arc of said curve through a central angle of $45^{\circ}43'43''$ a distance of 167.60 feet; thence North $43^{\circ}55'35''$ East 57.30 feet to the beginning of a tangent 20.00 foot radius curve concave Westerly; thence Northerly along the arc of said curve through a central angle of $90^{\circ}00'00''$ a distance of 31.42 feet; thence North $46^{\circ}04'25''$ West 104.77 feet to the beginning of a tangent 780.00 foot radius curve concave Northeasterly; thence Northwesterly along the arc of said curve through a central angle of $51^{\circ}41'20''$ a distance of 703.67 feet; thence North $05^{\circ}36'55''$ East 627.95 feet to the beginning of a tangent 1000.00 foot radius curve concave Westerly; thence Northerly along the arc of said curve through a central angle of $25^{\circ}33'19''$ a distance of 446.02 feet; thence North $19^{\circ}56'24''$ West 224.98 feet to the beginning of a tangent 780.00 foot radius curve concave Easterly; thence Northerly along the arc of said curve through a central angle of $45^{\circ}14'52''$ a distance of 615.98 feet to the beginning of a reverse 250.00 foot radius curve concave Westerly; thence Northerly along the arc of said curve through a central angle of $32^{\circ}56'07''$ a distance of 143.71 feet; thence North $07^{\circ}37'39''$ West 163.78 feet to the beginning of a tangent 250.00 foot radius curve concave Southwesterly; thence Northwesterly along the arc of said curve through a central angle of $34^{\circ}29'26''$ a distance of 150.49 feet; thence North $39^{\circ}39'01''$ East 398.89 feet; thence North $20^{\circ}36'57''$ East 125.83 feet to the Point of Beginning.

VISTAS (Portion Southwesterly of Olympic Parkway)

Beginning at the Southeast corner of Parcel 1 of said Parcel Map 18211; thence along the boundary of the unsurveyed remainder parcel North $01^{\circ}48'07''$ West 65.62 feet to the beginning of a non-tangent 1546.00 foot radius curve concave Southwesterly, to which a radial line bears North $00^{\circ}40'26''$ West; thence Southeasterly along the arc of said curve through a central angle of $28^{\circ}41'06''$ a distance of 774.00 feet; thence South $61^{\circ}59'20''$ East 669.49 feet to the beginning of a tangent 854.00 foot radius curve concave Northeasterly; thence Southeasterly along the arc of said curve through a central angle of $10^{\circ}26'41''$ a distance of 155.68 feet; thence South $30^{\circ}14'34''$ West 450.11 feet; thence South $00^{\circ}01'12''$ West 289.06 feet; thence South $25^{\circ}34'27''$ West 465.57 feet; thence North $85^{\circ}47'44''$ West 478.22 feet; thence North $18^{\circ}53'21''$ West 1653.80 feet; thence South $71^{\circ}57'18''$ West 38.35 feet to the Point of Beginning.

VISTAS (Portion Southeasterly of Olympic Parkway)

Beginning at the most Southerly corner of the unsurveyed remainder parcel shown on Parcel Map 18211 lying immediately Easterly of the Olympic Training Center being Parcel 1 of Parcel Map 16318; thence along the boundary of said unsurveyed remainder parcel North $49^{\circ}46'27''$ West 688.77 feet to the beginning of a tangent 900.00 foot radius curve concave Northeasterly; thence Northwesterly along the arc of said curve through a central angle of $21^{\circ}27'07''$ a distance of 336.97 feet; thence North $00^{\circ}43'25''$ East 450.00 feet; thence North $64^{\circ}30'34''$ West 124.83 feet; thence North $00^{\circ}43'25''$ East 111.76 feet to the beginning of a non-tangent 850.00 foot radius curve concave Northwesterly, to which a radial line bears South $29^{\circ}05'47''$ East; thence Northeasterly along the arc of said curve through a central angle of $32^{\circ}46'30''$ a distance of 486.23 feet; thence North $28^{\circ}07'43''$ East 59.07 feet to the beginning of a tangent 20.00 foot radius curve concave Southeasterly; thence Northeasterly along the arc of said curve through a central angle of $90^{\circ}00'00''$ a distance of 31.42 feet; thence South $61^{\circ}52'18''$ East 84.92 feet to the beginning of a non-tangent 260.00 foot radius curve concave Northeasterly, to which a radial line bears South $46^{\circ}56'17''$ West; thence Southeasterly along the arc of said curve through a central angle of $26^{\circ}58'36''$ a distance of 122.42 feet; thence South $70^{\circ}02'19''$ East 422.37 feet to the beginning of a tangent 350.00 foot radius curve concave Southwesterly; thence Southeasterly along the arc of said curve through a central angle of $60^{\circ}14'00''$ a distance of 367.94 feet; thence South $09^{\circ}48'19''$ East 370.73 feet to the beginning of a tangent 400.00 foot radius curve concave Northwesterly; thence Southwesterly along the arc of said curve through a central angle of $68^{\circ}28'10''$ a distance of 478.01 feet; thence South $58^{\circ}39'52''$ West 118.11 feet to the beginning of a tangent 300.00 foot radius curve concave Southeasterly; thence Southwesterly along the arc of said curve through a central angle of $80^{\circ}04'27''$ a distance of 419.27 feet to the Point of Beginning.

EASTLAKE III

EXHIBIT A-2

(LEGAL DESCRIPTION)

WOODS

Those portions of the Southwest Quarter of Section 25, Township 17 South, Range 1 West, San Bernardino Meridian, and that portion of Rancho Janal in the City of Chula Vista, County of San Diego, State of California deeded to Western Salt Company per deed recorded December 18, 1950 as Document No. 147375 in Book 3902, Page 47 Official Records filed in the Office of the Recorder of said County, said portions being more particularly described as follows:

Beginning at the Northeasterly corner of Chula Vista Tract No. 88-3 Eastlake Greens Phase 1 B/C according to Map thereof No. 12545 filed in the Office of the Recorder of said County; thence along the Northerly Right-of-way of Otay Lakes Road as shown on said map North $45^{\circ}19'44''$ West 790.83 feet to the beginning of a tangent 2067.00 foot radius curve concave Southwesterly; thence continuing along said Northerly Right-of-way line Northwesterly along the arc of said curve through a central angle of $15^{\circ}11'28''$ a distance of 548.03 feet; thence leaving said Northerly Right-of-way line North $30^{\circ}18'41''$ East 625.04 feet to the beginning of a tangent 370.00 foot radius curve concave Westerly; thence Northerly along the arc of said curve through a central angle of $54^{\circ}36'52''$ a distance of 352.68 feet; thence North $24^{\circ}18'11''$ West 731.70 feet to the beginning of a tangent 830.00 foot radius curve concave Easterly; thence Northerly along the arc of said curve through a central angle of $29^{\circ}28'45''$ a distance of 427.04 feet; thence North $05^{\circ}10'34''$ East 332.75 feet; thence North $65^{\circ}28'45''$ a distance of 427.04 feet; thence North $05^{\circ}10'34''$ East 332.75 feet; thence North $65^{\circ}53'38''$ East 277.31 feet to the North line of said portion of Rancho Janal deeded to Western Salt Company; thence along said North line South $88^{\circ}27'55''$ East 2303.05 feet to the Southwest corner of Parcel 2 of said deed to Western Salt Company; thence along the West line of said Parcel 2, North $01^{\circ}01'59''$ East 1947.28 feet; thence along the Northeasterly line of said Parcel 2 South $59^{\circ}42'31''$ East 868.00 feet; thence continuing along said Northeasterly line of said Parcel 2 South $55^{\circ}54'31''$ East 198.00 feet; thence continuing along said Northeasterly line of said Parcel 2 South $64^{\circ}49'44''$ East 233.91 feet; thence continuing along said Northeasterly line of said Parcel 2 South $41^{\circ}28'05''$ East 1817.65 feet; thence along the South line of said Parcel 2 North $88^{\circ}27'55''$ West 6.28 feet to the Northeast corner of Parcel 1 of said deed to Western Salt Company; thence along the Easterly line of said Parcel 1 South $05^{\circ}34'30''$ West

167.82 feet; thence continuing along said Easterly line South 87°45'13" West 604.60 feet; thence continuing along said Easterly line South 84°15'13" West 311.00 feet; thence continuing along said Easterly line South 74°44'47" East 394.40 feet; thence continuing along said Easterly line South 51°14'47" East 174.11 feet; thence continuing along said Easterly line South 17°45'13" West 240.60 feet; thence continuing along said Easterly line North 72°15'13" East 239.70 feet; thence continuing along said Easterly line South 81°44'47" East 457.00 feet; thence continuing along said Easterly line South 50°44'47" East 98.30 feet; thence continuing along said Easterly line South 04°44'47" East 98.70 feet; thence continuing along said Easterly line South 43°15'13" West 197.00 feet; thence continuing along said Easterly line South 54°15'13" West 306.00 feet; thence continuing along said Easterly line South 59°15'13" West 308.40 feet; thence continuing along said Easterly line South 44°15'13" West 235.70 feet; thence continuing along said Easterly line South 87°14'47" East 631.80 feet; thence continuing along said Easterly line South 26°44'47" East 108.50 feet; thence continuing along said Easterly line South 20°15'13" West 101.20 feet; thence continuing along said Easterly line South 33°45'13" West 203.10 feet; thence continuing along said Easterly line South 49°15'13" West 179.50 feet; thence continuing along said Easterly line South 60°45'13" West 119.80 feet; thence continuing along said Easterly line North 72°14'47" West 122.00 feet; thence continuing along said Easterly line South 33°15'13" West 228.50 feet; thence continuing along said Easterly line South 82°45'13" West 107.50 feet; thence continuing along said Easterly line North 69°14'47" West 285.00 feet; thence continuing along said Easterly line South 02°15'13" West 314.00 feet; thence continuing along said Easterly line South 53°15'13" West 653.80 feet; thence continuing along said Easterly line South 03°44'47" East 143.93 feet; thence continuing along said Easterly line North 75°13'38" West 48.78 feet; thence continuing along said Easterly line South 64°30'22" West 111.23 feet; thence continuing along said Easterly line South 41°57'22" West 350.62 feet; thence continuing along said Easterly line South 57°42'22" West 200.50 feet; thence continuing along said Easterly line South 55°18'22" West 209.80 feet; thence continuing along said Easterly line South 48°16'22" West 42.88 feet; thence continuing along said Easterly line South 43°28'22" West 356.97 feet; thence continuing along said Easterly line South 53°45'22" West 266.70 feet; thence continuing along said Easterly line South 32°20'38" East 51.54 feet to the centerline of Otay Lakes Road as dedicated to the City of Chula Vista per deed recorded November 28, 1990, File/Page 90-634654 and shown on City of Chula Vista Drawing No. 90-607; thence along said centerline North 77°38'00" West 245.61 feet to the beginning of a tangent 2000.00 foot radius curve concave Northeasterly; thence continuing along said centerline Northwesterly along the arc of said curve through a central angle of 32°18'16" a distance of 1127.64 feet; thence continuing along said centerline North 45°19'44" West 227.81 feet to a point on the Easterly line of the boundary of said Map No. 12545; thence along said Easterly line North 44°40'16" East 67.00 feet to the Point of Beginning.

EASTLAKE III

EXHIBIT A-2

(LEGAL DESCRIPTION)

BUSINESS CENTER II

That portion of Rancho Janal in the City of Chula Vista, County of San Diego, State of California deeded to Western Salt Company per deed recorded December 18, 1950 as Document No. 147375 in Book 3902, Page 47, Official Records, filed in the Office of the Recorder of said County, said portions being more particularly described as follows:

Beginning at the Northeast corner of Lot 7 of Chula Vista Tract No. 84-7 Unit No. 1 according to Map thereof No. 11509 filed in the Office of the Recorder of said County; thence along the Northerly line of Parcel 1 of said deed to Western Salt Company South $88^{\circ}27'55''$ East 2165.38 feet; thence leaving said Northerly line South $65^{\circ}53'38''$ West 277.31 feet; thence South $05^{\circ}10'34''$ West 332.75 feet to the beginning of a tangent 830.00 foot radius curve concave Easterly; thence Southerly along the arc of said curve through a central angle of $29^{\circ}28'45''$ a distance of 427.04 feet; thence South $24^{\circ}18'11''$ East 731.70 feet to the beginning of a tangent 370.00 foot radius curve concave Westerly; thence Southerly along the arc of said curve through a central angle of $54^{\circ}36'52''$ a distance of 352.68 feet; thence South $30^{\circ}18'41''$ West 625.04 feet to the beginning of a non-tangent 2067.00 foot radius curve concave Southerly, to which a radial line bears North $29^{\circ}28'48''$ East, said point being on the Northerly Right-of-way of Otay Lakes Road as shown on Map No. 12545 filed in the Office of the Recorder of said County; thence along said Northerly Right-of-way, Westerly along the arc of said curve through a central angle of $40^{\circ}55'32''$ a distance of 1476.43 feet; thence continuing along said Northerly Right-of-way South $78^{\circ}33'16''$ West 757.09 feet to the beginning of a tangent 5067.00 foot radius curve concave Southeasterly; thence continuing along said Northerly Right-of-way Southwesterly along the arc of said curve through a central angle of $00^{\circ}22'58''$ a distance of 33.85 feet to a point on the Easterly boundary of said Map No. 11509; thence along said Easterly boundary North $11^{\circ}28'15''$ East 1125.63 feet to the Point of Beginning.

EXHIBIT A-3

	<u>Business Center II</u>	<u>Trails</u>	<u>Woods/Vistas</u>	<u>Land Swap Parcels</u>	<u>Panhandle</u>	<u>Olympic Training Center</u>
GDP	Amended EL II	EL II	EL III	EL II	EL III (GDP Only)	EL III
SPA	Amended EL I	Trails SPA	EL III	Greens SPA	N/A	OTC SPA
Development Agreement	EL III	EL III	EL III	EL III	EL III	EL III

